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The damage to the dollar, cou-

Chief among them will be the

need to negotiate with Congress on

ways to reduce the budget deficit, which was estimated at \$130 billion

to \$140 billion for 1989.

pled with the decline in financial

No. 32,883

PARIS, MONDAY, NOVEMBER 14, 1988

Bush Rejects a Lower Dollar As Way to Close Trade Gap

Bill Cosby, star of the stated show in U.S. televister, ry, will return to MC for stated show in U.S. televister, will work even harder to be quality." Cosby said in that people get what I obe quality. "Cosby said in the country incent announcing the day. "I love my job and the pride in doing it." Since it is almost single-handedy the for NBC's dominance in the chronicles the minute in the chronic in the chron sen ratings. The stuation of chronicles the minor done lemmas of the Huxubking WASHINGTON - Aides to Beauty turned diplone. Thursday as Miss United National Comments of the United National Commen President-elect George Bash sought Sunday to reassure jittery financial markets by saying that the budget deficit would be Mr. Bush's highest priority and that the next administration would not favor a lower dollar to reduce the

> The aides, Craig L. Fuller and Robert Teeter, said Mr. Bush would hold firm to his election campaign pledge not to raise taxes as a way of reducing the budget

Mr. Fuller also said that Mr. Bush would name his economic

Mr. Teeter said on ABC-TV that administration might tolerate a Mr. Bush would pursue his "flexible freeze" proposal, which would limit government spending in-creases to the rate of inflation.

Japanese and U.S. monetary officials are expected to hold talks on exchange rates. Page 9.

He said Mr. Bush would try to maintain military spending at its current level or increase it slightly by considering ways to reduce do-

The dollar closed at a 10-month low against the yen on Friday following speculation that the Bush

U.S. Economy: The Growth Slows Annual growth of inflation-adjusted gross national product. Percent changes from previous year.

"The economic team has got to be priority one," Mr. Fuller said. The team will be named soon after Mr. Busb returns Tuesday to Washington from Florida, where he has been vacationing.
He said the group would meet

with Mr. Bush and work out an economic package - without new taxes - to present to Congress in early 1989. Mr. Fuller has been mentioned

as a possible White House chief of staff in the Bush administration. He said the cornerstone of Mr. Bush's economic policy remained the need to hold down domestic spending while relying on economic growth to help balance the bud-

Senator Pete V. Domenici of New Mexico, the senior Republican on the Senate Budget Committee, said Sunday on CBS television that the problem of how to cut \$30 billion from the deficit would be solved by July or August of next

"I'm not at all impressed with See CABINET, Page 7



Alexander Dubcek, left, receiving his degree Sunday from Bologna University, accompanied by the rector, Fabio Roversi Monaco.

Dubcek, in Italy, Defends Prague Spring

By Clyde Haberman New York Times Service

BOLOGNA — Far from home, and farther still from the Prague Spring of 1968, Alexander Dubcek looked back without apology bere Sunday at his attempt to bring democratic change to Czechoslovakia, and at the Soviet tanks that turned his hopes to dust.

Two decades of enforced public silence have not undermined his conviction that his effort was and will continue to be - proved correct, the former Communist

Twenty years ago, we defined as 'socialism with a buman face' our movement for the rebirth of socialism," Mr. Dubcek said. "We wanted to express in the most precise and significant manner the relation between human values and

the aspirations of socialism. We to Mikhail S. Gorbachev, the Sovitried programmatically to unite socialism with democracy.

He added: "I must reaffirm bere my clear conviction. Without the external intervention into the affairs of our party and of Czech society, our attempt would have been crowned with success. The necessary conditions were there in our society. It was, in this sense, more mature than any other."

The visit to Bologna was Mr. Dubcek's first outside Czechoslovakia since 1969, when for a short time he served as ambassador to Turkey after being removed as Communist Party leader.

He was permitted to make the journey to receive an honorary political science degree from the Uniwith university officials and professors, and they said later that their guest had spoken admiringly of Mr. Gorhachev.

et leader, in his formal remarks.

But on his arrival Saturday he met

quoted as saying, "then no one

In January 1968, when he became first secretary of the Czech Communist Party, Mr. Dubcek began a drive to curh police powers, ease censorship and bolster other civil liberties. All that came to an abrupt balt the following August when troops from the Soviet Union and other Warsaw Pact countries invaded Czechoslovakia.

Against his critics who accuse him of lacking awareness of what could and what could not he done at that time. Mr. Dubcek insisted in Mr. Dubcek made no reference

is not possible." "We search, we investigate what

can open the way to new development for socialism, theoretical and practical," he said. "In the Prague Spring, in its internal development "If he cannot succeed," he was and its suffocation from outside, everything is reflected in condensed form - the crises and pos-

sibilities of socialism." "The signs of democracy," be continued, "are political discussion, tolerance, sensitivity, dislogue. I don't say that we always succeeded in this regard, but we tried. The intoxication over freedom of speech was at times truly excessive.

There was, however, an atmophere and a perspective quite different from today, when every form

At PLO Meeting

ESTABLISHED 1887

Majority Emerges On UN Resolution Concerning Israel

Compiled by Our Staff From Disputches ALGIERS - A majority of the Palestine National Council, the policy-making body of the Palestine Liberation Organization, bas agreed to accept a United Nations resolution that implicitly recog-

nizes Israel, delegates said Sunday. The meeting of the 450-member PNC that began Saturday is ex-pected to end Tuesday with a declaration of independence for the Israeli-occupied West Bank and Gaza Strip.

In previous meetings, the council has rejected UN Resolution 242, which contains a reference to the recognition of Israel.

A member of the executive committee of the PLO, Yasser Abed Rabbo, said that a draft formula on the PLO's view of a Middle East settlement included a clear reference to the UN resolution and had been accepted by a majority. But Georges Habash, leader of

the Popular Front for the Liberation of Palestine, told a closed session that it was futile to accept the resolution unless the Palestinians were sure of getting something in return, delegates said. A spokesman for the PLO, Ah-

med Abdul Rahman, said, "The PNC will come out with a political decision and a program of peace."

"In the political statement," he added, "we will adopt all resolu-tions of the UN Security Council dealing with the Palestinian question. What's more, we will emphasize Resolutions 242 and 338 as the basis for an international conference to achieve peace in the Middle

Resolution 242 calls for an end to bostilities and for Israel to withdraw from territories occupied in the 1967 war. Adopted by the Security Council in 1967, it implicitly recognizes Israel by referring to the right of all states in the area to live within secure and recognized bor-

Resolution 338, passed in 1973 during the Arab-Israeli war, calls for an end to fighting, implementa-tion of Resolution 242, and for neel toward "a just and durable peace

in the Middle East." The United States has made PLO acceptance of Resolution 242 one of its conditions for allowing the organization to take part in an international conference on the

Middle East. Washington also wants the PLO to recognize Israel explicitly and to renounce violence. These are concessions that the Palestinian lead-

■ Israel Remains Skeptical Glenn Frankel of The Washington

full-service grocery. The protection the final straw for its U.S. Economy: Slower,

79 '80 '81 '82 '83 '84 '85 '86 '87 '88'

By Louis Uchitelle -

New York Times Service NEW YORK — From nearly very economist, the message is loud and clear: The U.S. economy is slowing down.

The slowdown could turn into a

recession next year or the year af-ter. Or, ideally, the decline would halt short of a recession, and the economy would then settle into a low but satisfactory rate of growth.

will actually take. While the United States waits for the answer, it worries. And the worry is changingattitudes toward investment.

"The psychology is switching," said William Sullivan, director of money market research at Dean Witter Reynelds Inc. "The new collective wisdom is that inflation is not going to get out of hand, as we

Kiosk

Ecology Rally In the Ukraine

MOSCOW (AP) - Thousands of Ukrainians gathered in Kiev on Sunday to protest environmental damage, a participant reported.

Speakers discussed the 1986 nuclear accident at Chernobyl in the Ukraine, which has made an area with a radius of about 65 kilometers (40 miles) uninhabitable.

They also mentioned a disease that has caused more than 100 children in the town of Chernovisy to lose their hair. Scientists suspect environ-mental poisoning, possibly through acid rain.

MONDAY O&A



Representative Richard Gephardt said Democrats would be "aggressive" on Page 2. trade policy.

General News

Yitzhak Shamir won the backing of Israel's two major ul-traorthodox parties. Page 4.

Business/Finance A Soviet-Japanese agreement on petrochemicals is called a setback for Occidental Petroleum.

Personal Investing

U.S. investors are facing stiffer fees and less personal service as brokerages try to pass along higher costs. Pages 13-17.

Not Necessarily Surer interest rates will be down, not up."

Reflecting this change, Merrill Lynch & Co. and some other bro- year. slowdown in economic growth means lower interest rates; there-fore, buy bonds and lock in today's peak rates before they fall.

990s. corporate profits are weak but be-The problem is that no one cause they would weaken in a re-nows which path the slowdown cession, pulling down stock prices. Similarly, with so much talk of a

> Because of the uncertainty about the future, Americans are showing a great preference for the safety of

that "there is more danger of a recession than a boom," said Richard B. Berner, an economist at Sal-

There is no question that the See ECONOMY, Page 12

kerage houses have pushed long-term bonds with this sales pitch: A

peak rates before they fall.

Stocks, on the other hand, are Progress on Arms May Set the Course for Bush setting less attention, not because one that would last into the getting less attention, not because

> slowdown, and maybe a recession, home prices have stagnated in parts of the United States, discouraging real estate investment.

In effect, they have concluded

omon Brothers. But is this pessimistic view justi-

By Joseph Fitchett

Money, which was PARIS solution for Ronald Reagan in U.S. foreign policy, is going to be a large part of George

Mr. Reagan, after lowering taxes, pursued a military building that restored U.S. prestige abroad and eventually helped obtain armscontrol concessions from the Soviet Union. His popularity, for much of his term, intimidated Congress and prevented it from challenging this strategy.

Mr. Bush, in contrast, may be tempted to demonstrate quickly his ability to do business with the Soviet Union on arms control. now the centerpiece of East-West negotiations on global security.

An early success might enhance Mr. Bush's stature with U.S. allies and set the tone for constructive relations with the Dem-

ocratic-controlled Congress, giving him a gress and ahroad, is hamstrung by laws — allies, mainly Israel, and gratify public opin-better chance of exerting leadership on the voted in anger at Mr. Reagan's spending — ion in other allied nations, notably in West ministration. In addition, a major new arms-

NEWS ANALYSIS

control accord might permit Mr. Bush to escape a U.S. budget crunch by economizing on some expensive planned weapons.
In security affairs, Mr. Bush's central chal-

lenge is to forge a coherent policy within the alliance to cope with the changes promoted by Mikhail S. Gorbachev. If he fails, West European governments, still unable to agree ng themselves on an East-West agenda, may drift separately into unhalanced agree-ments with the Soviet Union.

But Mr. Bush lacks the kind of financial leverage that Mr. Reagan enjoyed. Mr. Bush, as both his foes and friends know in Con-

deficit.

Thus, he may have to choose between reneging on his promise never to raise taxes vers of diplomacy such as the military budget and foreign aid. Mr. Bush's first initiative is therefore like-

to be a modest effort to get the Soviet Union to join Western governments in trying to stop sales of chemical weapons and ballistic missiles to Third World nations. Although industrial nations are not direct-

ly threatened by these weapons, their proliferation, particularly in the Middle East, has provoked alarm. Successfully bringing the Soviet Union into an arrangement on chemical warfare and on missile technology would alleviate a direct military threat to some U.S.

An issue that might appeal to Bush strategists is that of chemical-weapons proliferation, which was largely ignored by the Reaor else cut spending on such traditional legan administration. Action on the problem would not involve any extra U.S. spending. On overall security policy, Western Eu-

rope is expected to draw more attention than The authority of U.S. leadership, however, will depend on the Bush administration's performance in handling Mr. Gorbachev's impact on Western Europe. Because of Mos-

cow's conciliatory tone, European concern See POLICY, Page 7

Voters doubt that Bush can avoid a tax increase, a poll shows. Page 3.

ers meeting in Algiers say they are not prepared to make. (AP. Reuters)

See PLO, Page 7

Pacific Alarmed by U.S. Waste Plan

By Michael Richardson

International Herald Tribune
SINGAPORE — U.S. companies dealing in waste disposal are planning to ship huge amounts of garbage and poisonous waste to the Pacific region to evade restrictions at home, according to anti-pollution campaigners.
Under one of the proposals, mil-

lions of tons of household garbage from the West Coast of the United States would be used for land reclamation in the Marshall Islands in the Pacific. - Officials and company represen-tatives confirmed that detailed site

Admiralty Pacific Inc., the U.S. company promoting the plan, said all the garbage would be nontoxic. But Jim Vallette, who has studied the trade in toxic waste for nearly two years for Greenpeace. the environmental group, and is household and other municipal

studies would begin later this

considered an expert in the field, garbage included mercury, lead, said that the proposal was "an at-tempt to avoid U.S. pollution con-

In a telephone interview Thursday, he said that extraction of all toxic material from the garbage would make the proposed venture unprofitable. "It would be an enormous task that would make their project so costly it would be economically onworkable," he said.

In every ton of U.S. garbage, Mr. Vallette said, there are about 20 pounds (about 9 kilograms) of such toxic material as cleaning fluids, solvents, lead-based paints, motor

oil, pesticides and insecticides. Pat Costner, an industrial chemist who is research director of a Greenpeace campaign against toxic waste in the United States, said in a telephone interview on Friday that common heavy metals found in

cadmium and chromium.

She said use of U.S. garbage as land fill on a Pacific atoll would result in the leaching of both heavy metals and toxic chemicals into the marine environment. Many of these toxins, she said,

are "bio-cumulative poisons which concentrate in the tissues of living creatures, such as fish and other marine life, on which islanders depend for food." Since 1987, five Pacific islands American Samoa, Papua New

Guinea, the Solomon Islands, Tonga and Western Samoa — have rejected proposals by U.S. hrokers to build large incinerators on their territory to burn hazardous waste shipped from the United States. Officials said the brokers offered the governments of the islands a share in the profits, which they said

See TOXIC, Page 7



Georges Habash, left, hearing a plea Sunday in Algiers by Paul Cools of Belgium for help in freeing his son, Jan, a hostage in Lebanon.



Relaxing, the president-elect is splashed by the surf as he casts a line off the Florida coast.

For Bush, Transition Means Sun and Sea

By Gwen Ifill Washington Post Service

DELRAY BEACH, Florida - There are transitions, and then there are transitions. President-elect George Bush's current defini-

tion of Washington's currently favorite noun means two acres of beach-front privacy, a neighboring 18 holes of verdant golf course, a hot Florida sun and maybe a fishing trip or two during a post-election vacation that began here Thursday night. He will return to Washington on Tuesday.

Call it the Florida transition. The sea is turquoise, the beach sandy white and the pace tortoiselike as Mr. Bush decompresses from that frenetic final week of campaigning that took him careening around the country through multiple time zones to a screeching electionnight halt in Houston. And then on to Washington the next day.

Mr. Bush, his wife Barbara and their dog Millie were whisked out of the capital Wednesday evening aboard Air Force One - a tribute

with old family friends, a millionaire horse breeder named William Stamps Farish 3d and his wife Sarah.

Mr. Farish, who manages Mr. Bush's hlind trust and has known him since their oil days in Texas, lives in Gulf Stream, a community of 550 residents that is home to a score of secluded mansions, two sprawling golf courses, a private school and an 11-member police force.

The force, for whom a crisis is normally an overturned mailbox along tiny Route AI-A, has been strained to the limit with the arrival of the president-elect, his security men and reporters. For the most part, the natives seem pleased but unflustered by the attention.

"VIPs live all over this town," said Sergeant Gene Williams of the Gulf Stream police force. who patrolled the palm-lined Farish driveway Friday. "But I guess this is the number one

Mr. Farish, the grandson of the founder of Humble Oil, was on Forbes magazine's 1984

to their new status - for a visit to Delray Beach list of America's 400 richest people. A horseman active in polo and racing circles, he has rwice received Queen Elizabeth II at his Lexington, Kentucky, home.

The Farishes' newly built three-bedroom Florida house, painted a sun-washed vellow and visible only from the beach, has become a

fortress during the president-elect's visit. But the cordoned-off beach has proven no barrier to enterprising camera crews, who patrol the shore by helicopter and rented boats. Stephen Hart, a spokesman for Mr. Bush and one of the few staffers brought along, said

Thursday that Mr. Bush spent the bulk of his day exercising and resting: a long swim, a 20minute run and a nap. But the president-elect did spend some time on the telephone Friday morning - poolside, of course - accepting congratulations and extending thank-yous to people who worked on his behalf, including Governor Carroll A.

See BUSH, Page 7

Gephardt Says Democrats Will Be 'Aggressive' Over Trade

trade issues, Representative Richard A. Gephardt of Missouri sponsored tough legislation last year that influenced the omnibus trade bill signed in August by President Ronald Reagan. Mr. Gephardt, 47, who sought the Democratic presidential nomination. was elected last week to his seventh term in the House, where he is chairman of the Democratic Caucus. In Tokyo to launch a promotional project for the exports of small and mediumsized U.S. companies, he spoke Sun-day with Patrick L. Smith of the International Herald Tribune.

Q. You won your election by a substantial margin, but so has George Bush. How does the U.S. presidential election reflect on the mood in America, particularly with regard to U.S. trade problems?

A. In essence the election was a ratification of present policy or at least [indicated] a hope that the present economic situation will continue. I do believe there

Known for his firm positions on is a good deal of unrest and dissatisfac tion with regard to trade policy. Americans feel we are losing good-paying jobs to other countries and that our standard of living is ultimately threatened. However, the unemployment rate, the inflation

MONDAY O&A

such that people were not willing to change the presidency.

Q. What is the Democratic strategy going to he in Congress? Many commen-tators have noted that Mr. Bush may have a more difficult time with Congress than Mr. Reagan. Is it going to be a tough

A. We're going to be aggressive and assertive on the Democratic side, for instance on trade policy. We've passed a new trade bill, which partly reflected our dissatisfaction with the Republicans' lack of aggressiveness. We will be watching closely to see that the administration is enforcing that bill and using it to force open foreign markets.

Q. And on the budget question? A. There will be a good deal of difficulty in agreeing on how to deal with the deficit. Bush ran saying he would not raise taxes, cut defense spending or re-duce entitlements. If that is the stance, I can't see much progress on deficit reduction. Ultimately the budget forces everything else off the agenda. You can't do much about the environment, education rate and all of the other indicators were or health care if you don't have money, and it's not likely we'll attack those problems very vigorously.

> O. The administration has been very comfortable with Japan over the past year. Secretary of State George P. Shultz called it the best year he could remember

in bilateral relations. What is your view? A. I'm glad he's satisfied with a \$60 billion trade deficit. I can't imagine how anyone could be. We do have a strong relationship, and no one is suggesting that be damaged or changed. Where the administration falls down is in being more aggressive about getting the Japanese to open their market. We have cut funding for the Foreign Commercial Service [which aids U.S. companies abroad]

and for almost every other part of the government that could help us export. Q. Mr. Shultz was talking specifics. The dispute over beef and oranges has been solved construction access has

A. These issues have not been solved. There has been limited progress on both fronts. There have been statements and agreements, but we still haven't realized the ability to enter those markets that we Rather than be afraid of opening them, fronts. There have been statements and want. Beyond that, the real challenge is how we can sell more manufactured

Q. Elsewhere in the region, one senses increasing restiveness with U.S. officials who lump such countries as Taiwan and South Korea together with Japan.

A. They should be treated separately, but they're not Third World countries. They've come a good way past that, and they have to open their markets as well. I've also been concerned about their actions with regard to monetary reform. The Treasury recently published a report saying that South Korea and Taiwan had been negligent in not letting their curren-

Q. The Taiwan dollar has appreciated

more than 40 percent over the past cou-ple of years. Isn't that sufficient? A. The point is to let the market deter-mine that, and not have it be calculated by the Taiwanese to achieve some economic goal.

Q. Are you concerned about anti-

we should look forward to them. I have high respect for the Japanese, the Tai-wanese and the South Koreans. We shouldn't confuse disagreement with dis-

Q. There are discussions in both Washngton and Tokyo on graduating the bilateral relationship into something more institutional — a free-trade agreement or something similar. Is this important to

A. It's an ultimate goal. As a near-term goal it's too ambitious. We can begin talking about a broader range of items, rather than one commodity at a time. But to begin negotiating a free-trade treaty now is asking too much. It would raise expectations too high.

Key Route

Said Cut in

Afghanistan

LAHORE, Pakistan - Afghan

guerrillas say that they have blocked the road north from Kabul

to the Soviet border in an offensive

The road, the Salang Highway, is important in supplying Kabul with arms and other supplies and as an exit route for heavy Soviet equip-

There was no independent confirmation of the report, issued on Saturday by the Islamic Society

guerrilla organization, which said

five guerrillas had died in the fight-

spending troop withdrawals.
The Soviet Union has pledged in

Ned Walker, director of public

count fares next week. Those

changes are expected to involve the

Maxsaver fares, a widely used dis-

count ticket with advance purchase

and minimum stay requirements

Mr. Walker said that, in most instances, the Maxsaver fares on

long trips will go up while the fares

Mr. Walker said Continental

took the action because it had

solved its service problems and no

longer needed the discount fares to

very high complaint rate, which it

has brought down considerably in

Continental is owned by the Tex-

mpete with other carriers. For

on short trips will go down.

that has killed 20 Soviet soldiers.

WORLD BRIEFS

Namibia-Angola Talks Are Extended

GENEVA (Reuters) — Angola, Cuba and South Africa decided Sunday to extend U.S.-mediated talks on peace in Angola and South-West Africa into an unscheduled fourth day and planned their first joint meeting of the current negotiations.

Sources said the joint session would be to discuss progress made by Chester A. Crocker, the U.S. mediator, in separate meetings with South African, Cuban and Angolan representatives.

The negotiators are trying to agree on a timetable for the withdrawal of an estimated 52,000 Cuban troops from Angola in return for the independence of South-West Africa, also known as Namibia, after 73 years of

U.S. Anti-Drug Campaign Criticized

WASHINGTON (WP) — Despite more than \$100 million in funding over the past four years, U.S. anti-drug efforts in Colombia and Bolivia have been almost entirely ineffective, the General Accounting Office reported. It said the cultivation of drug crops has increased dramatically in both countries.

The strongly worded report contrasts sharply with State Department claims that programs being funded through its Bureau of International Narcotics Matters are achieving some success in Latin America. During the last fiscal year, the bureau provided \$98.7 million in anti-narcotics aid to 11 nations, including \$15 million to Bolivia and about \$11 million to

The report said, however, that these programs have had so little impact that the amount of South American production of coca — from which cocaine is made - doubled between 1982 and 1987. The report said that Peru. Bolivia and Colombia accounted for almost all of the increase.

Brazil Refinery Strike May Spread

RIO DE JANEIRO (AP) - Tens of thousands of oil refinery workers

were on strike for higher wages Sunday. Eight of Brazil's 10 refineries were at a standstill and stocks of fuel running low.

"The strike continues and adhesion is higher daily," said João Borges, director of the Rio de Janeiro Petrol Workers' Union. "We expect that by Monday, the remaining two refineries will be forced to close and offshore

platform workers will also cross their arms."

About 42,000 of the country's 60,000 oil refinery and platform workers went on strike Friday. They seek pay increases of 154 percent to make up for losses caused by inflation, which is running at 28 percent monthly.

One Dead in Lebanon UN Post Siege

JERUSALEM (UPI) - An Palestinian gunman who was believed to be under the infinence of drugs or alcohol killed a civilian Lebanese interpreter on Sunday at a UN post in southern Lebanon before being overpowered by Finnish soldiers. The capture of the man ended a 19-hour

The gunnan, along with three other men and a woman, had overpowered a guard Saturday night at the post near Taibe, Lebanon, a spokes-man for the UN Interim Force in Lebanon said. They were armed with hand grenades and automatic weapons, the spokesman, Timor Goksel, said. He said the intruders apparently were lost and had demanded to be taken to the Lebanese port city of Sidon.

Negotiations were begun, and four of the intruders surrendered Sunday, Mr. Goksel said. They said they were members of the Fatah faction of the Palestine Liberation Organization. The Moslem Voice of the Nation radio, monitored in Beirut, quoted security sources as saying that the group apparently was on a mission to attack Israeli targets near the Israeli-Lebanese border, which is less than two miles (three kilometers) from the UN post.

El Salvador Rejects Leftist Truce Call

SAN SALVADOR (Renters) — Colonel Rent Emilio Ponce, chief of the Salvadoran armed forces, has dismissed a call by leftist rebels for a Soviet land convoys have to use truce during the Organization of American States assembly here next

> "I have received no orders to suspend operations," Colonel Rene Emilio Ponce said Saturday.) He said captured rebel documents spoke of turning the area of the assembly venue into a "war zone" when a five-day

Senior commanders of the Farabundo Marti National Liberation Front in Mexico City declared the truce beginning at midnight Sunday and appealed to delegates to back their call for a negotiated solution to the war, which has claimed 65,000 lives in the past decade.

Kohl to Meet With Reagan and Bush

BONN (Reuters) - Chancellor Helmut Kohl of West Germany will say farewell to President Rouald Reagan and greet the future president, George Bush, during a trip to the United States that begins Monday.

A government spokesman, Friedhelm Ost, said Mr. Kohl would see Mr. Reagan and Mr. Bush on Tuesday, making him the first foreign head criment to meet the president-elect.

Mr. Kohl is to give the keynote address Monday at a New York ceremony marking the 80th birthday of Simon Wiesenthal, head of the

Kin of President Is Slain in Haiti

PORT-AU-PRINCE, Haiti (NYT) — A brother-in-law of Haiti's president was found murdered Saturday to his car on a busy street in the capital, the police said.

Officials identified the slain man, whose body was reportedly riddled with bullets, as Louis-Marie Bonnet. His wife is a sister of Lieutenant General Prosper Avril's wife, Marie-Ange Nazon.

There was no immediate statement from the presidential palace, where General Avril, a longtime confidant and adviser to the Duvalier dictators, was installed in a coup in mid-September.

For the Record

Yunnan earthquake damage was estimated by Chinese regional officials Sunday at more than \$268 million, but they said the death toll of 938 was not expected to rise substantially.

TRAVEL UPDATE

Italian Air Controllers Call Strikes

ROME (AP) - Alitalia Airlines and its domestic subsidiary, ATI,

ROME (AP) — Alitalia Airlines and its domestic subsidiary, ATI, announced that dozens of flights would be canceled Monday and Tuesday because of strikes called by air traffic controllers.

All national and international flights to and from Milan, Turin, Genoa and Pisa will be canceled from 7 A.M. to 7 P.M. Monday during the walkout. On Tuesday, flights to and from all Italian airports, including Rome's Leonardo da Vinci airport, will be canceled because of a nationwide strike from 7 A.M. to § P.M.

U.S. Agency Offers Booking System

NEW YORK (NYT) — A computerized booking system for hotel guests allowing them to make hotel, airline or car rental reservations in their hotels will be introduced Monday by a Miami-based travel agency. Edd Helms, founder and president of Hotelecopy Inc., said that the system, called Hoteleticket, would allow hotel guests to make reservations by calling a central reservation clerk in Miami through a toll-free number. After the clerk checked the person's credit, a satellite printer in the energy body avoid them reserved to the check checked the person's credit, a satellite printer in the guest's hotel would then produce the appropriate tickets. Airline tickets come with boarding pass and seat ass

A private ferry service between Boston and Martha's Vineyard has been denied a new license to operate by the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority. (NYT)

This Week's Holidays

Banking and government offices will be closed or services curtailed is the following countries and their dependencies this week because anational and religious holidays:

MONDAY: Colombia, Guinea Bissuu, Jordan. TUESDAY: Brazil,

WEDNESDAY: West German

THURSDAY: Zaire. FRIDAY: Haiti, Morocco, Oman

SATURDAY: Belize, Mali, Monaco, Oman, Puerto Rico, SUNDAY: Mexico.

Source: Morgan Guarante Trust Co., Reutere

Havy's New-York Bar ® Est 1911 "the Bistli place of the Bloody Mary"

THE OLDEST COCKTAIL BAR IN EUROPE TH Just cell the taxi driver "sank roo doe noo" S Rue Dauson, PARIS
 Falkenturm Str. 9, MUNICH
 1444 Rue Mercalfe, MONTREAL

Intellectuals Denounce Planned Soviet Shifts

By David Remnick

Washington Post Service MOSCOW — Leading figures in what has long been considered President Mikhail S. Gorbachev's prime constituency — the Moscow intelligentsia — have denounced the Kremlin leader's proposed changes in the Soviet political system as a dangerous step backward.

The sharp attack on Mr. Gorbachev's constitutional reform pro-gram came at a meeting Saturday of a group called "Moscow Tri-bune," whose membership includes some of the best-known and most influential pro-reform intellectuals in the capital, including the play-wright Mikhail Shatrov, the historian Yuri Afanasyev, the poet Andrei Voznesensky and the human-rights activist Yelena G. Bonner, the wife of the physicist and dissident Andrei D. Sakharov.

raised by members of the group was that the draft laws on political reorganization dely Mr. Gorba-chev's stated intention: to transfer power from the Communist Party to the people in the form of elected local governing bodies.

Such laws, they said, would prevent such nonparty groups as the recently emergent popular fronts in the Baltic republics from running candidates for the Soviet legislature and do nothing to prevent one

Exceptional Sales NINA RICCI Leather-Goods

and crocodile Bags Fashion Accessories Tuesday 15th and Wednesday loth November from 10.00 a.m. to 6.00 p.m. MORUE DES CAPUCINES THIRD PLOOR

man from holding the top position in the government and in the party. Since Oct. 1, Mr. Gorbachev has held both posts, and he is expected to retain them after government elections set for the spring.

"This will not suffice," Anatoli Butenko, a professor at Moscow State University and a well-known writer, told the gathering. "The vast majority of the people are not party members, and they took no part in all of this. The party decided everything even though they constantly talk about democratiza-

tion. What kind of glasnost is this?" Mr. Afanasyev, the historian Mikhail Gefter and a number of other intellectuals formed Moscow Tribune last month with the hope that it would study and criticize government actions.

Although the government has called for a "nationwide discus-Chief among the criticisms sioo" on the constitutional changes. Moscow intellectuals and activists in the Baltic republics are concerned that the debate will be too short and too late.

In his remarks, the historian Leonid Botkin said the party was "badly mistaken" to have issued complete draft laws without first consulting nonparty jurists, activists and scholars, and then to have called for a vote on the new proposals in the Supreme Soviet, or legis-lature, just a month later, on Nov.

Leonid Volkov, a writer active with informal political groups in how, in a time of radical reform, they could have taken such an approach," Mr. Botkin said. "We have been waiting a thousand vears for democracy in the such as a such as a proach," Mr. Botkin said. "We have been waiting a thousand vears for democracy in the such as a suc



The guerrilla commander in the region had threatened to block the SAKHAROV IN WASHINGTON — Andrei D. Sakharov, the most prominent Soviet dissident, route a week ago in response to being greeted in Washington by Lyuda Yevsyukov, a Soviet immigrant. Mr. Sakharov, who was awarded the Nobel Peace Prize in 1975, is scheduled to meet Monday with President Ronald Reagan. Moscow's introduction of oew planes and missiles in Afghanistan and its announcement that it was

months? But the train has already

left the station." The Soviet government has rewritten its constitution four times since the 1917 Bolshevik Revolution. The last revision came in 1977 under President Leonid I. Brezhnev, and Western scholars say it assigned more power to the Communist Party than even the 1936 constitution framed under Stalin.

"In a sense," he added, "this is Pravda and Izvestia, have carried something written on a piece of these questions are just not worked

traordinary political repercussions for the Kremlin. In Estonia, for example, hundreds of thousands of signatures have been collected for petitions protesting the constitutional changes, and an emergency session of its legislature scheduled for Wednesday may consider proposals to exercise veto power over directives from Moscow.

the first. A constitution is not just only mild criticism of the draft paper, but a collection of legal prin-ciples, ideas and relationships. And ed that concern about the changes

Reaction to the draft laws from the country at large could have exengineer from the Black Sea city of Sochi, wrote recently: "The pro-posed legislation says, 'As a rule, ballots should list more candidates than there are seats.' I suggest that Article 100 in the constitution and

for every seat'"

accords signed in Geneva to com-plete the withdrawal of its forces by laws, but the letters column in the the Salang Highway and had made their way out of the country unimis not limited to members of Mospeded until the guernila offensive

2 Flee to West Germany

The Associated Press HANNOVER, West Germany

Two East Germans climbed border fences and escaped to West Article 9 in the proposed law on Germany near the West German election of people's deputies should town of Göttingen during the say it straight: There should be at weekend after their plan to ram a least two candidates on the ballot truck through frontier barriers .failed, the police reported.

can't we wait another three said. The chief national newspapers, U.S. Airlines Dropping a Popular Discount Fare

By Agis Salpukas New York Times Service NEW YORK - Most major

THE MILLENNIUM WATCH.

Visit Alfred Dunhill in London, Paris, Düsseldorf, Munich.

The change will end discounts on U.S. airlines plan to sharply curtail tickets that are reserved three to one of their most popular fares seven days in advance, forcing peotickets that are reserved three to starting Tuesday as part of a broad ple traveling oo short notice to pay overhaul of the discount programs much higher regular fares.

The change comes just before the have to set ceilings on fares. But be on Tuesday in markets where they hanksgiving period and the start said it was unclear how oew price compete with Continental. travelers hundreds of millions of Thanksgiving period and the start of the heavily traveled winter holiday season.

The oext available discount fare has a 14-day advance-purchase re-quirement and other restrictions, such as staying at the destination over a weekend. Such conditions mean that most business travelers

will not be able to use the fares. The discount to be eliminated mounted to as much as 25 percent on some heavily traveled routes. For example, the Newark-to-Houston fare with the discount was \$305 one way, compared with a regular

coach fare of \$405. The move raises once again the concern that deregulation of the airline industry may in the long run force passengers to pay higher fares than they would have when the

industry was regulated. "I'm troubled," said Alfred E. Kahn, who was chairman of the Civil Aeronautics Board in 1977 and 1978 when the industry was

ers, were paying much higher fares, even when adjusted for inflation, than they were when the industry's fares and routes were regulated by

Washington Poet Service

municipal elections that were ex-pected next year because it cannot

afford to hold them, Luis Carrion

Cruz, the minister for economic affairs, said in an interview.

Mr. Carrion, one of the nine top

eaders of the Sandinista National

Liberation Front, the government

controls could be imposed equitably and yet keep the competitive relations for Continental, said the atmosphere established since deregulation. "It's a nightmare," he said. "The

trouble is that it's almost impossible to do." Mclvin A. Brenner, an economist who once worked for American and cancellation penalties. Airlines and Trans World Airlines. said the higher prices were "unfair to the customer." He said the large carriers were using the freedom of

deregulation to gain monopolies on the markets they serve. He and Mr. Kahn acknowledged that prices were still lower overall than they were before deregulation, with inflation taken into account, but they noted that this was largely because of discount fares and their more than a year, Continental had many flight cancellations and a

Regular coach fares will not increase because of the changes, the airlines said.

The move is being led by one of as Air Corp., which also owns Eastthe nation's largest airlines, Conti-Mr. Kahn said certain types of nental, which put the fare restruc-assengers, such as business travel-

He said thet "if it gets had have acted in recent days to elimitiated some fare in enough," the government might nate the short-notice discount fare er carriers copied.

nental, which put the fare restruc-turing into its computer system late last week. The change is expected to affect most major carrier, often cut fares to to affect most major markets in the gain market share from its competi-

American and Northwest Orient, have acted in recent days to elimi-

This year the carrier, which has

Other big carriers, like Delta,

Citing the Costs, Managua Delays Elections party, said that the economy was in "extremely critical" condition after hoped to capitalize on discontent MANAGUA — The govern-ment plans to postpone until 1990 more than \$900 million in damage. over the economy to win many of

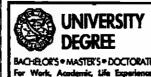
The government had pledged to hold elections in 1989 to choose mayors for the hundreds of towns in Nicaragua, In an intermore than \$900 million in damage. view in June, President Daniel Ormayoral elections next year and presidential balloting as required by the constitution, in 1990. The tega Saavedra said the vote would probably be held in March or current plan is to hold them simultancously, he said.

The flavour of an island in a single malt.









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BRIEFS

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Canadians Can't Be Had for a Song

As Mulroney Is Now Finding Out

By Herbert H. Denton TORONTO - When Brian

Muironey was a poor boy, growing up in a backwoods Quebec mill town that produced newsmill town that produced news-print for the Chicago Tribune, he would be summoned for command performances whenever the newspaper's legendary owner, Colonel Robert R. McCormick, came to visit.

With a fine soprano voice, young Brian would stand on a pizno in the dining room of the town's one fancy hotel and sing "Destie" and other Irish ballads for the delighted colonel, who would reward him with tips. Years later, in 1985, when Mr.

Mulroney became prime minister of Canada and President Ronald Reagan came up on a state visit, he stood on a stage with Mr. Reagan and sang in a rich baritone, When Irish Eyes are Smiling."

Mr. Mulroney revels in those displays of musical affection for American friends, but the memory makes many of his countrymen cringe. For them, the singing suggests a certain servility and nour-ishes their nagging fears that he may be too eager to please the This anguish drives the concern

of Canadians about Mr. Mulroney's commitment to an independent Canada. It hangs over the hotly contested political cam-paign for the Nov. 21 elections in which the U.S.-Canadian free trade agreement he negotiated. with Mr. Reagan has become the central, highly emotional issue. The pact, which would take effect Jan. I, proposes removing virtual-ly all hindrances to the flow of goods between the United States

and Canada over the next decade, Mr. Mulroney began the campaign Oct. I with a strong early lead but fell sharply in the polls after his opponents launched an

Although they cite no hard evidence from the agreement, the op-position Liberal and New Democratic parties have convinced large numbers of Canadians that the pact threatens Canadian sovereignty and puts in jeopardy the country's generous social programs, according to several polis.

Mr. Mulroney adamantly demes, this, and nearly all experts who have closely examined the agreement concur. But he is having a hard time convincing the electorate. Acknowledging voter mistrust of the prime minister, Bill Fox, one of Mr. Mulroney's chief advisers, said: "They still believe he's singing for the colo-nel"

Opponents argue that the removal of trade barriers would inevitably force Canadian firms to harmonize such things as costs and employee benefits with the

practices of U.S. companies.

Canadians pay higher taxes than Americans do to support an array of social programs, the most cherished of which is a government-supported universal medical insurance program. But oppo-nears say this would be unlikely to continue if both countries are more closely integrated economi-

The critics have also seized on a section of the pact that calls on Canadian and U.S. negotiators to agree on definitions of fair and unfair export subsidies, a move that critics say could force Canada to abandon many social ser-vices not available in the United

Most Canadians tend to view the United States with a complex mixture of admiration, envy and fear. They think Canadian-U.S. relations got too prickly during the 11-year reign of former Prime Minister Pierre Trudeau. Now they are concerned that Mr. Mulroney has got too close.

all-out attack, accusing him of The political campaign also "selling out" Canada in the deal, comes at a time when English-



Prime Minister Brian Mulroney meeting a supporter at a campaign rally in Quebec City.

speaking Canadians, especially artists, scholars and intellectuals in Ontario, are groping to define a

Canadian identity.

The prospect of closer economic relations with the United States that could lead to greater political and cultural integration has become the catalyst for a national debate on what is unique about

Canada and what is threatened. Unlike many of his countrymen, and many of his predeces-sors as prime minister who fought with American presidents, Mr. Mulroney has always felt comfortable with Americans. He is particularly fond of the Horatio Alger story of rags to riches success, which in many ways mirrors

Mr. Mulroney also has a flashy style and a penchant for boasting and exaggeration, which is not held against him in Quebec but which causes him problems in English-speaking Canada. His gifts as a salesman and a deal maker exacerabate suspicions about

"It is Mulroney's singular misfortune on television to look phony even when he's being natural." Jeffery Simpson, a columnist for the Globe and Mail of Toronto. wrote in a recent, mostly favorable magazine portrait of the

A poll by the Canadian Broadcasting Corp. released Thursday found that exactly half of all voters felt that Canadian political independence was at risk and nearly as many worried about the impact of the trade agreement on

their social programs.

Although a Gallup Poll published Monday put the Liberal Party ahead of Mr. Mulroney's Progressive Conservatives, other opinion surveys, including polls released by CBC and the Globe, have indicated that the two parties are now running neck and neck, with the New Democrats a distant third.

The Liberals have made major inroads in Ontario, a bastion of Canadian nationalism, and in At-

area's poorer provinces are fearful that the trade agreement might mean the loss of government subsidies that bolster their econo-

The Conservatives are still strong in western Canada, which is rich in natural resources, and in Quebec, where because of the French heritage there is less fear that closer economie relations with the United States will mean a

loss of political identity.
But residents of Quebec have become more concerned recently over charges that social programs are threatened, and many regard the light for -Quebec to be the most important.

One possibility is that no party will win a majority of seats. This would more than likely spell the

death of the trade agreement.

Significantly, all the major polls indicate that most people rate Mr. Mulroney's competence as prime minister higher than that of his adversaries, although he gets low marks for honesty and likability.

in the first 10 months of Mr. Cere-

zo's presidency, according to an estimate by Central America Re-

port, a respected weekly based in

Most of those killed, the rights

group said, were peasants and left-

ists, such as students and union

Washington Posi Service WASHINGTON — American percent or more said they hoped voters may have read his lips, but those goals would be met. But their manded only a 5-to-4 advantage. they still doubt that President-elect expectations varied enormously. George Bush will manage to keep Only one-third expected to see the his campaign promise not to raise taxes, according to a recent Wash-ington Post poll. budget deficit cut in half, while two-thirds or slightly more thought that the drug, environmental and

Almost eight of 10 people in a survey of 599 likely voters, who were interviewed for four nights ending on Election Day, said they those four fields. would like to see no tax increases in the next four years. But only one in

three expected to see that hope ful-Those who supported the Democratic presidential nominee, Michael S. Dukakis, were virtually as eager for a tax freeze as Bush backers. But they were dubious, and the negative campaign." Bush backers even more so, that the A possible signal of future trou-ble for Mr. Bush can be found in next president would be able to

avoid a tax increase. The survey showed that, if the American people could set the agenda for the Bush administration and the 101st Congress, the top items would be:

 Effective programs to fight the drug problem,

By David S. Broder and Richard Morin

• Another major nuclear arms reduction agreement with the Sovi-

• More federal aid to help clean

the environment • A 50-percent reduction in the

U.S. budget deficit. On a list of 14 promises made by

one or both candidates in the cam-

U.S. Hostage **Dunned by IRS**

The Associated Press BEIRUT - The wife of Alann Steen, an American hostage, said Sunday that her busband received a bill from the U.S. Internal Revenue Service requesting payment of his 1984 taxes within 30 days. Mr. Steen has been a captive for more than 21 months.

"At first I was angry but then I laughed," Virginia Steen said, "You cannot talk to a computer but you would believe somebody would look at what they are doing." She said her husband was in Beirut in 1984 and was exempt from

In Washington, an IRS spokesman, Scott Waffle, said he could not comment on the matter. Mrs. Steen declined to disclose the sum the IRS said her husband owed.

A Tax Increase, a Poll Shows

Voters Doubt Bush Can Avoid

Bipartisan majorities of about 90

arms-control goals were realistic. There was hardly any difference between Bush and Dukakis supporters in their desire for action in

The House majority leader, Thomas S. Foley, a Washington Democrat, said that the survey suggested "plenty of areas of common approach" for the president-elect and the new Congress. But he said the agenda was "largely unrati-fied" because Mr. Bush ran "such a

the weak support shown for his stated goal of providing more money to develop and test the Strategic Defense Initiative championed by President Ronald Reagan.

By 56 percent to 36 percent, the respondents said they had no desire to see that happen. Mr. Dukakis

paign, those four commanded the had labeled the "star wars" prohighest support. had labeled the "star wars" program "a fantasy," and his supporters were opposed by almost 4 to 1 to greater spending on it. But among Bush supporters, SDI com-

> Freezing taxes was part of a second tier of agenda items, each commanding support from three-fourths or slightly more of the voters. Restoration of voluntary prayer to classrooms, an issue Mr. Bush took over from President Reagan, shared this category with two items that Mr. Dukakis promoted in his losing campaign: health-insurance for all employees and their families, and legislation that would make it easier for students to borrow money for college and repay it from future carnings.



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Leftist Truce Guatemala Rights Violations Reported to Increase

By Lindsey Gruson

New York Tlaies Service o suspend operations," Cole GUATEMALA CITY - Homan rights violations, including kidnappings, torture and murder, have sharply increased in recent arabundo Marti National la te truce beginning at midigit months, especially in rural areas where government authority is weakest according to rights moni-tors, Roman Catholic Church offi-tials and Western diplomats here.

In spite of two and a half years h Reagan and Be of civilian government, Guatemala remains one of the worst human said Anne Manuel, an observer for Americas Watch, a privately financed rights organization based in observers and diplomats said.

TOPICS

Donating blood for one's

own use later has become in-

creasingly common, doubling

in the past two years. The New York Times reports. The major reason for this surge, medical

experts say, is fear of being in-

fected by contaminated blood.

They say this fear is largely un-

founded. With AIDS, for exam-

ple, advances in testing have reduced the odds of receiving

contaminated blood to I in

But there are other reasons.

Blood that is autologous — that is, derived from the same indi-

vidual — eliminates much of

the risk of reactions, viral infections or other adverse effects. It

is particularly suitable for peo-ple with antibody problems.

"The best transfusion you can get is your own blood." said

Dr. Harold Kaplan, senior

medical director of the New

York Blood Center, a nonprofit

is stored in liquid form during weeks before elective surgery, a

handful of private banks collect and freeze it for many years.

Donors save no money on autologous blood. There is no

charge for the blood itself, au-

tologous or not. But patients

pay about \$200 a pint, usually paid by health insurance, to

cover the costs of the blood

Notes About People

Ronald Reagan is "a secre-tary's dream," one of the presi-

dent's secretaries reports. When

he finds a typographical error

in one of the letters they have typed for him, he will attempt

to correct it with his pen: "He

doesn't even want to ask us to

bank and the hospital.

While most autologous blood

blood bank.

reversed itself in the cities. And in the countryside, there's a de facto military dictatorship. Nothing has

Some diplomats say that an at-

unable to control the army, they say that the administration of Mr. Cerezo, a Christian Democrat, is a free society.

ther identified. "We haven't army, compared the killings to

changes." Spokesmen for the government,

42 Civilians

While even close advisers to the which ended 16 years of often brupresident acknowledge that he is tally repressive military rule, disputed charges that the political violence was growing.

They said the increase in the

first, small step toward building a number of murders was part of a crime wave, which rightist newspa-"This is a transition govern-ment," said one of Mr. Cerezo's Colonel Luis Arturo Isaacs Ro-advisers, who asked not to be fur-

changed the structure of violence, gang violence in Chicago in the but we've begun to vaccinate the society against the extremes. The He argued that the army cherhuman rights groups are naive ished the country's embryonic inwhen they demand overnight ternational standing, which would suffer if the military were linked to new human rights violations.

And he traced the murders to leftist extremists.

According to one monitoring group, the Center for the Investiga-tion, Study and Promotion of Human Rights, 75 people were assassinated in September, the last month for which figures were available, up from 71 in August and 57 in July.

Spokesmen for the group said they had compiled the list from public reports and that their figures included only a fraction of politically motivated killings in the

In contrast, there were an average of 33 politically related killings

Massacred In Colombia Compiled by Our Staff From Dispatches BOGOTA - Gunmen descended on the northern Colombian town of Segovia and nearby ranches, killing 42 civilians and injuring 57 during more than two hours of shooting, the local authorities said.

Military sources blamed leftist guerrillas for the massacre Friday night, the worst in recent Colombian history. But the municipal council of Segovia said that rightist death squads were responsible.

In Segovia, a gold-mining town of less than 10,000 inhabitants, 170 miles (275 kilometers) north of Bogotá, the mayor belongs to the left-ist Patriotic Umon party, the politi-cal wing of the leftist gnerrilla group, the Revolutionary Armed Forces of Colombia. The national directorship of the Patriotic Union said that the mas-

sacre was the work of a paramilitary group of about 30 people in four vehicles. Military sources estimated, however, that there were about 90 at-

General Raul Rojas, commander of the army 14th brigade, said there were 34 dead and 31 wounded in Segovia. Eight more deaths and scores more injured civilians were

reported in nearby ranches.

The authorities said they presumed that the attack was by leftist guerrillas from the Revolutionary Armed Forces and the National Liberation Army.

But a man identifying himself as Commander Orlando from the Liberation Army, in a call to a radio station in Medellin, denied his group's responsibility for the attack. He blamed paramilitaries backed by drug traffickers. Although General Rojas said the

attackers shot indiscriminately at civilians, the Segovia municipal council said some of the killings were selective. The Segovia ombudswoman, Johana Montana, said gunmen raided houses. checked identities and killed many members of the Patriotic Union.

In 1983, the bodies of 33 miners all, the very best in good who had been shot were found in a mine shaft near Remedios, 15 miles from Segovia. The Patriotic Union said they were leftist sympathizers killed by a rightist death squad.



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day by a Miami-based trids ant of Hotelscopy Inc. said allow hotel guests to miss to clock in Miami throughts. no clerk in Miami throughts person's credit, a satelling uce the appropriate ichis eten and Martha's Vineral It the Woods Hole. Martha's V.

will be closed or service disdependencies this week

20th Bar @ 911 the Bloods Man EUROPE TO "early row doc now

retype a letter." Oman, Puerto Rico President-elect George Bush is reported to be nearly as fond of jelly beans as Mr. Reagan. But The New York Times reports that his favorites for nibbling on between meals are

> Short Takes The California Task Force to Promote Self-Esteem and Per-

crunchy, salty pork rinds.

AMERICAN Donating Own Blood For Use in the Future

group's creator, state Assem-blyman John Vasconcellos, 56, predicts that it will spread throughout the country as the ultimate self-help program. Tve seen the cost of prisons -\$17,000 a year to lock some-body up — and dropouts and drugs," he says. "We have to get at the root cause; self-esteem informs everything. Nancy Reagan tells people to just say no, but they can't do that until

they yes to themselves."

to increasingly pesticide-resis-tant bugs, nonchemical controls are ever more important.

Diamant, a reader of The New York Times, says she overheard one woman, exhaustion in her voice, ask a woman companion.

Vinicio Cerezo, a would-be reform-Since then, politically motivated

er, and removed the few remaining constraints on radical right elements within the armed forces.

tempted coup six months ago politically eviscerated President Marco

kidnappings, disappearances and murders of labor leaders, union organizers and leftists have increased almost every month, human rights

sonal and Social Responsibility, though parodied and lampooned, notably in Gary Trudeau's "Doonesbury" comic strip, soldiers on — and has spawned smaller task forces in 42 California counties. The

The "Bugrac," a giant vacu-um cleaner that sucks insect pests out of strawberry patches, has been developed by Edgar Show, a Watsonville, California, entomologist. The bad bugs live on the top leaves and get vacuumed up, he said, while the good bugs that eat them live further down on the plants and generally survive. The Bugvac was hailed by Albert Meyerhoff of the Natural Resources De-fense Council in San Francisco. He noted that as pesticides do more and more damage to the

environment and less and less

A Finnish-built Soviet icebreaker succeeded last month where a smaller U.S. Coast Guard icebreaker failed, cutting a channel to free trapped whales in the Beaufort Sea west of Alaska. Federal law blocks the Coast Guard from buying foreign-made icebreakers. But Eero Makinen, president of Wartsila Marine Industries Inc., which built the Soviet icebreaker, said the whale saga had created "great prospects" for his company to sell licenses for icebreaker technology in the

Near the end of the vast Degas exhibit at New York's Metropolitan Museum of Art, Joan "Can we start skipping the small ones?"

United States or to lease a

Finnish icebreaker to Ameri-

Arthur Highee

35 Countries Unite in Drive To Fight 'Greenhouse Effect'

By Burton Bollag New York Times Service GENEVA - Representatives of 35 nations, including the United States, have begun an international effort to evaluate global climate trends and map policies to cope with the drastic consequences a global warming would have on hu-

in a three-day meeting that end-ed Friday, they established work-IBR GROUDS to:

• Assess scientific evidence and historical temperature records to determine if a global warming trend had really begun, and in look at its causes,

 Assess the environmental, economic and social impact of climate

• Formulate responses. This group will be headed by the United States.

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sions of carbon dioxide and other gases that are believed to collect in the atmosphere, trapping heat from the Earth in a "greenhouse effect." The Geneva meeting was organized by two United Nations agencies: the UN Environment Program and the World

Meteorological Organization.

The findings of the three groups are to be ready by mid-1990. The executive director of the Environment Program, Mostafa K. Tolba of Egypt, told the meeting that those conclusions should be sufficiently advanced "to justify actions by governments to limit and cope with climate change and to start

negotiations" for a treaty.
Officials say responses would center on changing global energy policies to use fossil fuels more efficiently and to limit and ultimately reduce their use.

Fossil fixels are the main source

thought to be responsible for about 50 percent of global warming. Other major culprits are methane, nitrous oxide and chlorofhiorocarbons. Chlorofluorocarbons, which are used as aerosol propellants, refrigerants and in injected foam, are also believed to contribute to the destruction of the protec-

The Montreal Protocol on protecting the ozone layer, signed last year, commits industrialized countries to a 50-percent reduction in the use of chlorofluorocarbons by 1999. Officials say a likely measure to combat global warming would be to reduce the use of chlorofluorocarbons further.
"The fact that the U.S. could

tive ozone laver.

come here with a coherent position and a high level of representation was positive," said Rafe Pomerington-based World Resources Institute, which has in the past criticized the Reagan administra-

tion on this issue.

The UN Environment Program and its head, Mr. Tolba, are seen as prime promoters of an international treaty on global warming. This follows the program's successful conclusion of the Montreal Protocol and current negotiations on a treaty to sharply limit exports of hazardous wastes, expected to be ready for signing at a ministerial meeting scheduled for next March



Demonstrators in Tel Aviv urging Labor and Likud to form a coalition and revise Israeli election law.

2 Religious Parties **Endorse Shamir**

By Glenn Frankel

JERUSALEM — After nearly two weeks of political maneuvering, Israel's two largest ultraorthodox religious parties endorsed Prime Minister Yitzhak Shamir on Sunday as their choice, ensuring that Mr. Shamir would be named Monday by President Chaim Herzog to form a new government.

To win their endorsement, Mr. Shamir promised to give the two narties control of four major government ministries and to win approval in the Knesset within the first three months of his government of laws changing the defini-tion of who is a Jew, government sources said.

Those commitments are certain to produce a backlash both among secular Israelis, who fear the growth of a Jewish theocracy that would limit their personal free-doms, and among Jewish groups in the United States that contend the new laws would delegitimize the Reform and Conservative movements in that country.

Mr. Shamir will have three to six weeks to forge a new governing coalition. If he succeeds, it would be led by Mr. Shamir's right-of-center Likud bloc but would depend on the votes of the fundamen-talist Jewish parties to remain in

The endorsements marked the end of the first round of back-room bargaining over cabinet portfolios and policy commitments in a new government A second round, which is expected to be more prolonged, will begin after Mr. Herzog asks Mr. Shamir to form a new

The two parties that endorsed Mr. Shamir were Shas, which holds six seets in the Knesset, and Agodat Yisrael, which holds five seats. Their votes bring to 63 the number of seats committed to Mr. Shamir out of the 120-member Knesset, compared with 55 for his main political rival, Foreign Minister Shimon Peres of the left-of-center La-

The Torah Flag religious party. which has two seats, absta from backing either man and called for another broad, national unity coalition between Mr. Shamir and Mr. Peres.

To win the backing of Shas, Mr. Shamir pledged to make the party leader, Yitzhak Peretz, deputy prime minister as well as interior inister, and to also give the party the housing portfolio, according in

To Agudat, which declined to accept cabinet posts for ideological reasons, the prime minister promised bureaucratic control of the immigration and social welfare ministries, as well as the chairmanship of the influential Knesset finance

Mr. Shamir also promised to wife Shas-sponsored bill giving new powers and stature in Israel's rabpinical courts, including the power to decide on citizenship applications from converts to Judaism.

Mr. Shamir made a commitment to Agudat to win approval of an amendment to the Law of Return requiring that all converts win orthodox rabbinical approval before becoming Israeli citizens. An Agudat spokesman, Menachem Porush, said that Mr. Shamir had promised that the amendment, which has been narrowly defeated in the past, would be approved.

"This is the first stage and not even the lengthiest in the process of forming a government," said a Shamir advisor, Avi Pazner.

■ Death Penalty Panel

Israeli leaders, facing renewed calls for harsh punishment of Palestinian guerrillas, set up a ministerial committee Sunday to consider imposing the death penalty for murder, Reuters reported from Jerusalem. The panel, made up of the defense, foreign and justice ministers and the attorney general, would advise the military authorities on capital punishment.

In the occupied West Bank,

General Lyman Lemnitzer Is Dead at 89

WASHINGTON -General Ly-

man Lemmitzer, 89, a World War II hero who later served as commander of United Nations forces in the Korean War, supreme allied commander in Europe and chairman of the Joint Chiefs of Staff, died of kidney failure Saturday at Walter Reed Army Hospital here.

Skilled and Deft Soldier By Albin Krebs

New York Times Service General Lemnitzer, heavyset and feet (183 centimeters) tall, preferred to work in his shirtsleeves, kept a messy desk and, as one old friend described him, was "not the least bit uptight, considering he's a

four-star general." But he was a skilled and deft diplomat as well as a soldier, and when he was appointed as the fourth chairman of the Joint Chiefs of Staff in 1960, he was variously described as "brilliant," "an expert tion and tremendous dignity."
In World War II he took part in a series of daring secret missions that paved the way for the invasion of North Africa and later the surrenders of the Italian Army and Ger-

In the Korean War he was deco-

born Aug. 29, 1899, in Honesdale, Pennsylvania. The future general, of German Lutheran descent, graduated 86th in a class of 271 cadets at West Point in 1921.

In 1941, before the United States entered World War IL Major Lempartment's War Plans Division. By September 1942 he was a brigadier general assigned to General Dwight D. Eisenhower's staff in

Lemnitzer to one of three spectacular forays into diplomacy. He joined the secret mission, codeaamed Torch and led by General
Mark W. Clark, that sipped into

negotiations with Premier Pietro Badoglio of Italy that led to the Italian surrender to the Allies in September 1943. General Lemnitzer later slipped into Switzer-land to begin talks, behind Hitler's back, with members of the German nitzer was assigned to the War De- High Command. The secret talks

stually led to the surrender of the German armies in Italy and southern Austria in May 1945. General Lemnitzer took com-

in Korea in 1952, leading it in the desperate battle of Heartbreak Ridge, in the Punch Bowl campaign and in the Chorwon Valley. He was later assigned to command the 8th Army in Korea, and in 1955

rated for gallantry for leading infantrymen through fierce battles.

In the 1960s, as chairman of the Joint Chiefs, he supervised the strengthening of American troops ment to support the Allied invasion.

Through in response to the Berlin with General Allied invasion.

Through in response to the Berlin with General Allied invasion.

Through get in touch with French committee, in his quiet way, helped build Japan's postwar defenses, and he was a central figure in the successful diplomatic effort to keep strategic U.S. forces in Okinawa ed States later returned Okinawa to Japanese control.

In 1960 he was named chairman of the Joint Chiefs of Staff. In that position, General Lemnitzer super-vised the strengthening of U.S. Soviet construction of the Berlin

His last assignment, after his two-year tour as chairman of the a popular and influential 1930s Joint Chiefs, was to be supreme singing trio, on Saturday in Peeks-Joint Chiefs, was to be supreme planner" and "a man of modera- London as assistant chief of staff in mand of the 7th Infantry Division allied commander in Europe, He kill, New York.



General Lyman Lemnitzer

retired from active duty in 1969.

Jeanne Gabelou, 83, a heroine of the underground French resistance forces in Europe in reaction to the in World War II, at her home near Châteauroux on Thursday. Vet Boswell, 77, the last surviv-

ing member of the Boswell Sisters.

meanwhile, Israeli soldiers shot and killed an Arab motorist who had failed to stop his car at an army checkpoint, Palestinians said.

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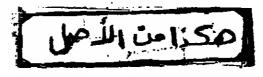
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The two parties that to say seats in the Knesset at Yisrael, which holds in their votes bring to 63 the out of the 120 members. of seats committed to Mr. out of the 120-member he compared with 55 for his neutrino Peres of the left-of-car

oor Party.

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to Agudat to win approx amendment to the law di requiring that all convent thodox rabbinical approx becoming Israeli citizen dat spokesman, Menade ush, said that Mr. Shar promised that the ame which has been narrowhe in the past, would be a "This is the first state?

even the lengthiest in them forming a government si mir advisor. Avi Pazner

defense, foreign and pune; turely. ties on capital punishmen In the occupied Wa: meanwhile. Israeli sale:

checkpoiot, Palestiniare

hamir Pakistan Comes to Crossroad

and policy commitment of the second of the s

most part peacefully toward what it hopes will be the freest election in its history on Wednesday, one issue in the campaign overrides all others: Where will power lie in years ahead, and how will it be used?

The death of President Moham-

med Zia ui-Haq in a still-unex-plained plane crash in August alsered the political landscape of a country that has known more dictators than democrats since its independence in 1947.

The politicians scrambling to fill the vacuum have been surprised by the latitude allowed them by an interim president, Ghulam Ishaq Khan, who has kept to constitunonal rule; by a strong and impartial judiciary, and by an army that has pledged not to interfere.

As the final rallies take place. Beoazir Bbutto, who with her mother, Nusrat, leads the Pakistan People's Party, is clearly the most spirited and popular candidate. In a straight presidential contest,

she might win easily.
But Pakistanis will be voting not for a president, but for a lower house of Parliament, known as the National Assembly, where the party or coalition with the most seats Mr. Shamir also prome ity or coalition with the shames a sembly chooses a president.
Pakistan last held national elections in 1985, but General Zia dis- Mr. Bhutto was executed in 1979 trusted political parties, and all after General Zia refused to pardon

After his death, the Supreme Court ruled that the 1988 elections should be held on a party hasis.

Now, several-dozen political organizations are in the race, and it is far from clear how the votes will go.

NEWS ANALYSIS

Ms. Bhutto's most serious rivals are in the Islamic Democratic Alliance, a coalition formed last month of the Pakistan Muslim League, the National People's Party, a political-religious organization called the Jamaat-i-Islami and six smaller

worked with General Zia, and two figure in the election: Mian Nawaz Sharif, the chief minister of Punjab, Pakistan's most populous province, and a former prime minister, Mohammed Khan Junejo.

toi, who founded the National People's Party in 1986 after falling out with Ms. Bhutto and leaving her

Pakistan People's Party.
Pakistan today is a very different country from what it was in 1977, when Benazir Bhotto's father, Zulfikar Ali Bhutto, won an election widely regarded as corrupt and then was overthrown by General Zia a few months later.

miles east of Colombo, the official

said. These killings were also

The Tigers are at the forefront of

blamed on the Tigers.

Mr. Shamir made a dome Ethnic Attacks in Sri Lanka Kill 13 as Strike Cuts Food

has raised fears of food shortages.

dren, were injured when a car bomb exploded near Jaffna, 185

murder, Reuters reported to quell the Tamil rebellion and rusalem. The panel mater that it probably exploded prema-

ters and the autorier. The bombing was blamed on would advise the miliant members of the Liberation Tigers of Tamil Eclam, the largest and most powerful of the Tamil militias, who are fighting for an indeand killed an Arab nor pendent Tamil homeland in the

had failed to stop his care. north and east of the island. The bodies of five Tamils abducted Friday were found Satur-day in the town of Kalumnai, 136 Most of the coalition's leaders

Another is Ghulam Mustafa Ja-

COLOMBO - At least 13 people have been killed in ethnic violence and a fuel workers' strike called by a radical Sinhalese group

a five-year war by the Tamils for a separate state. The rebels say a Tamil homeland is needed to com-A military official said Saturday that four people were killed and 20 others, including 16 schoolchilbat discrimination by Sri Lanka's majority Sinhalese. Members of the People's Libera-tioo Front, a radical Sinhalese

Death Penalty Pand bomb exploded near Jaffina, 185 miles (300 kilometers) north of Co-line (300 kilometers) group, were hlamed for killing four rnment supporters in central Sri Lanka on Saturday.

The military official said four Sinhalese, including the brother of

a government lawmaker and three of his supporters, were killed in a

the authorities said.

him on a conviction of involvement

in a political killing.

Because of Pakistan's strong stand during the Zia years against the Soviet occupation of Afghanistan, and because General Zia worked to raise the country's profile in the Islamic world, the voting Wednesday will be watched closely in the United States and elsewhere for signs of policy shifts.

The United States and India will also be watching for signs of change in Pakistan's nuclear development policy, which the various parties have suggested might be re-

lo addition, the Pakistani economy has been growing, creating new expectations and demands.

The country faces an exploding population, extreme deprivation among women, and the issues of how far and fast it should be moving toward a vaguely defined goal of Islamization.

Above all else, a new government will face the task of strengthening democratie civilian institutions. Within a decade of gaining inde-pendence in 1947, Pakistan had

fallen into the first of several periods of military rule. In 1970, an election generally accepted as fair and open was held. But within another year, the country had split in two, with the creation of Bangladesh, and the presidency of General Yahya Khan

Mr. Bhutto came to power in 1972, introduced a new constitution and, in 1977, called elections widely believed to be rigged. Public protests followed, with criticism of his economic policies and the arbitrary use of power and corruption. Then General Zia stepped in, and 11 more years of military rule

As the opposition movement grew, General Zia took steps to reintroduce democracy. He lifted martial law, called the 1985 elections and laid the groundwork for this election.

In the campaign, Ms. Bhotto's rivals have tried to make her father's record an issue, but have oot

Many Pakistanis appear to believe that Ms. Bhutto, educated in the West and comfortable with European democracy, would not at-tempt to revive her father's leftistcar ambush.

In southern Sri Lanka, a strike hy fuel workers called by the Sinhalese People's Liberation Front led

tempt to revive her father's leftist-nationalist policies, to which the military might object.

Ms. Bbutto has been waging a

to gasoline shortages and a break-down in the distribution of food, populist campaign, short on specifics and long on rhetorical flourishes about ending repression and giving The strike was the latest in power to the people. She has also forged alliances with some power series called by the front, which brokers in the Zia camp, in the opposes President Junius R. military, and among the landed ar-Jayawardene's Tamil rebels. yawardene's peace overtures to istocracy.



Voters lining up in Karachi to receive identification cards for this week's elections.

Court Orders Voter Identification

New York Times Service preme Court of Pakistan has rein- provoke violence at the polls. stated the rule that voters must cast ballots in elections Wednesday and Saturday.

.A 12-member bench of the Supreme Court, sitting in Lahore, said Saturday that because there Lahore High Court to end the identity card requirement.

the Lahore ruling, which had been trol fraudulent voting.

welcomed by many politicians who LAHORE, Pakistan - The Su- feared the identity card issue could to the polls to cast ballots are com-

The requirement that voters present national identity cards to must show identity cards to cast ballots in National Assembly elec- cannot be recognized by poll offitions on Wednesday and Provincial cials. Assembly elections three days later

was challenged by the Pakistan People's Party of Benazir Bhutto. was oot enough time before the The party argued that thou-voting to hear a government apsands, possibly millions of Pakipeal, it was staying a ruling by the stanis would be disenfranchised by the requirement, which the interim ry card requirement. government of President Ghulam
The decision in effect threw out Ishaq Khan had introduced to con-

"Vote banks" that deliver groups mon in Pakistan. These voters often carry bogus identification or, in the case of women, are veiled and

Some politicians said the cards were oot being issued fast enough to those who were applying for the first time to vote.

The Lahore court observed that the government's figures on cards being issued was at such variance with the party's totals that it was impossible to determine the true

oumber.

subversive activities.

las to a party." The event was held at the quarters of Major Robelito Comilang, the former commander of the

Rebel Army Leader Escapes Manila Jail

By Seth Mydans

New York Times Service MANILA - The reputed leader of the Communist rebel army in the Philippines has escaped from detention in a military camp after ne being allowed to attend a birthday party for an officer he had befriended, a military spokesman

The spokesman said the chief of the New People's Army, Romulo Kintanar, fled with his wife, Glo-ria. They had been seized with three other guerrilla leaders in March in one of the military's most conspicuous successes against the insurgents.

President Corazon C. Aquino rebuked army officers on Sunday for the escape, Reuters reported from Manila, and ordered an investigatioo. Mrs. Aquino said she was "calling to task" Major General Ramon Montano, chief of the paramilitary Constabulary, and other officers assigned to hold Mr. Kin-

Mr. Kintanar and his wife, along with other guerrillas being held, had been permitted to leave the stockade at the national police headquarters in Camp Crame to attend a party in another part of the base, an officer said.

Security at Manila's military camps is relaxed, and vehicles usually enter and leave freely.

Mr. Kintanar, 41, was described as commander in chief of the New People's Army, which has about 25.000 members.

He is said to be one of the guerrillas' leading strategists, ranking third in the underground Comm nist Party hierarchy.

He is also described as the orga-

nizer of the urban guerrilla squads known as "sparrows" that have carried out a program of assassina-tions in Manila over the last two

The party's general secretary, Rafael Baylosis, who was arrested with Mr. Kintanar, also attended the birthday celebration, another guest said.

Like the other rebel prisoners, be remained in detentioo Saturday. Those being held were awaiting trial on charges of illegal posses

sion of firearms in connection with "We are trying to find out why they were allowed out of their pris-

on cell," said the military spokes-man, Colonel Crisencio Maralit. "It is quite unusual for them to invite New People's Army guerril-

stockade where the rebels were de-

He was removed from his post last month after guards shot to countryside.

death an army colonel being held for taking part in a rightist coup attempt in August 1987. Mr. Kintanar and other rebels had befriended the detained colo-

Both Communist and rightist rebels have escaped from detention in the past, drawing criticism of lax security within the Philippine mili-

Several years ago, Saturnino Ocampo, a former journalist who became a ranking leader of the insurgents, escaped through a back entrance of the Manila Press Club,

where he had been allowed to go to vote in an election of club officers. Early this year, Gregorio Honasan, a former colonel who led a coup attempt in August 1987, escaped from a prison ship aboard a rubber boat that had been sent to

augment security.
He, too, bad befriended his guards, and his 14-man security de-tail fled with him.

A Brother Of Chun's Is Arrested

SEOUL - The elder brother of Chun Doo Hwan was arrested Sunday on corruptioo charges in a move apparently designed to in-crease pressure on the disgraced expresident to apologize for alleged wrongdoing during his seven years

in power. Mr. Chun's elder brother, Chun Ki Hwan, and a cousin were taken into custody on charges of illegally using their influence to gain control of the largest fish market in Seoul and then diverting funds.

The arrests followed by two

months the conviction of the former president's younger brother on corruption charges, and meant that more than a dozen Chun family members, in-laws and friends have been imprisoned or are under in-

vestigation. The arrest of Mr. Chun's elder hrother was seen as particularly significant because he is the expresident's closest sibling and is the nominal leader of the Chun family.

The arrest, analysts said, was intended to send a signal from the government and the governing party that the ex-president could also end up in jail unless he quickly accepts a compromise calling for Mr. Chun, who took power in 1980 and retired as president in February, to apologize for alleged misdeeds, to return any illegally acquired wealth and to retire to the



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Luxembourg	LFr.	49 49 60	11,000	7,200	6,000	3,300
Netherlands**	R.	06-022 08 15	600	492	340	185
Norway**	N.Kr.	(02) 41 34 89*	2,000	1,276	1,100	600
Portugal**	Esc.	(01) 80 71 23*	26,000	26,780	14,300	7,900
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Still the PLO's Move

The Palestine Liberation Organization ism to gain Palestinian independence. It all failed to grasp the moment and advance a adds up to the familiar self-injuring language that makes some condomn him as a terrorist and others dismiss him as a weak man intertions. Now, as the governing Palestine Na-tional Council meets in Algiers, its leaders

seem destined to miss yet another opening. Despite the right-wing tilt in the Israeli vote, the politics of cabinet-making remains fluid. The PLO can influence that process - and the attitude of President-elect George Bush. But indications are that Yasser Arafat and company will simply proclaim Palestinian independence, and thus confirm their irresponsibility.

Israel remains deeply divided on whether to hang on to rebellious occupied territories or seek a territorial compromise. In the Nov. l elections only 42 percent voted for parties which oppose any withdrawal. Prime Minister Yitzhak Shamir has up to 42 days to cobble together a Likud-led coalition. If he fails, Israel's president will probably turn to Shimon Peres of Labor, advocate of a compromise based on trading land for peace.

Meantime, the uprising in the West Bank

and Gaza continues to make evident the moral cost of indefinite occupation. The other day, Israeli soldiers killed a 3-yearold boy while shooting at stone-throwers whose ages were 12 and 13.

In June an Arafat side, Bassam Abu Sharif, prepared a document that renounced sm and called for a Palestinian state living in peace with a Jewish state. But what held great promise was disavowed by other PLO leaders. And recently Mr. Arafat reverted to his old lines of equating Zionism with racism and refusing to forswear terror-

ested only in posturing to keep his job.

According to a PLO spokesman, the recent vote shows that "Israelis are not ready to make peace" and therefore do not deserve conciliation. This totally ignores the lesson of President Anwar Sadat's transforming breakthrough in boldly flying to Israel from Egypt in 1977. The result was a treaty negotiated with a right-wing Israeli government and then ratified overwhelm-ingly thanks to added votes from the left.

Mr. Arafat's apologists maintain that his hands are tied by deep divisions in the PLO, a loose amalgam of armed factions. At the moment, however, the chairman's position is relatively strong. His worst foes, a Syrian-backed minority, are isolated. The Palestin-ian uprising has built support for a pragmatic solution on the West Bank. Mr. Arafat enjoys the backing of King Hussein of Jor-dan and President Hosni Mubarak of Egypt, the most important voices of moderation.

Given legitimate Israeli fears regarding survival, it is up to the Palestinians to make the first move, as Mr. Sadat did. That surely seems unfair to the Palestinians, but Mr. Sadat understood what it would take to change hearts and minds in a divided and frightened but democratic Israel. If the PLO uses Israel's elections as yet another excuse for ladling out its familiar ambigu-ous thetoric, it will serve only to prolong the ordeal for Israelis, and Palest

A Gesture of Apology

Reflecting on the dark and terrible history of their country under Nazi rule, Germans last week observed the 50th anniversary of Kristallnacht, the night of broken glass. Anti-Semitism, sponsored and en-forced by the state, had been rising under Hitler for some time, but Kristalmacht — Nov. 9-10, 1938 - was the emergence of violent and highly organized persecution on a nationwide scale. That episode, and those far worse which followed it, have left a hanning question: How could a people as gifted and as cultivated as the Germans have descended to such depths?

Over the years many German theologians, historians and politicians have offered answers, some of them compelling. But the extreme difficulty of dealing with the question was demonstrated, not for the first time, on Thursday when Philipp Jen-ninger, the speaker of the Bundestag, addressed a special commemorative session. He was trying to explain how the campaign against the Jews had gained such wide-spread public support. But as he went on, his listeners found it difficult to follow the distinction - although it was evidently

quite clear in his mind - between his own commentary and his descriptions of the attitudes of the time, including quotations from Nazis. A number of the audience

-THE NEW YORK TIMES.

walked out in protest. Mr. Jenninger, by all accounts a decent man and no anti-Semite, has now resigned as speaker. As a gesture of apology, that kind of resignation is as rare in Germany as it is in the United States. But the subject is not one that tolerates ineptitude or imprecision.

There is really no event comparable to the Holocaust. But similarly it is difficult to think of another case in which a whole society, many of whose people were directly implicated in those crimes, has gone to such lengths, decade after decade, to preserve the recollection of the crimes in its civic and political life. Those Germans who misstate that responsibility, or deal with it carelessly, generally do not prosper in public office. The striking thing about contemporary German treatment of the Nazi period is the moral stamina and rigor of the judgments. For a nation to acknowledge error is as uncommon as it is admirable.

- THE WASHINGTON POST.

Prosecute the Hacker

If his friends' reports prove accurate, Robert Morris, the hacker whose virus program multiply so fast as to choke its hosts. But that the worst consequences of the escadeserves to be vigorously prosecuted. There is appealing drama in this tale of father, son and a monumental electronic game, and there may be reason to mitigate the punishment, but that is different from minimizing the crime. Prosecuting the case can test the adequacy of present laws against electronic sabotage, a crime which can be deterred.'
Mr. Morris's program wasted thousands

purged it from their computers. A society that depends on computers must defend itself against this kind of threat. Some hackers may be mischievous and

of hours of other people's time as they

thoughtless invaders of property, but few are malicious or intentionally criminal. Their itch to show that they can outwit the designers of computer systems could easily be discouraged by tough application of present laws, or of new ones if needed.

Mr. Morris's purpose remains a mystery. Was he trying to prove something to his father, a computer security expert at the National Security Agency? His friends assert that he meant his virus to live quietly in the computers it invaded, and that only because

pade were unintended is no absolution.

Everything so far known about the virus's design and dissemination suggests a surrepti-tious intent, unmindful of others' privacy or convenience. To gain access to the computer network and its users' machines, Mr. Morris is said to have deciphered and used some 300 unauthorized passwords. To evade detection, he allegedly disseminated the virus from a computer at the Massachusetts Institute of Technology and had its progeny report their existence to a computer at the University of

"What happened in this instance was not really vandalism," says one computer expert. "You shouldn't crucify him for damage be did not intend to cause," says another. That puts it too benignly. To deceive others, invade their property and disrupt their activities is a clear breach of ethics. Youth, ingenuity and inadvertence may prove mitigating circumstances and justify generosity when deciding on punishment. But first, if only to deter other electronic sabotage, it is important to define it as a crime.

-THE NEW YORK TIMES.

Other Comment

Bush: Hard Work Ahead

What matters is that the United States recognize the continued role it has to play in belping ensure the stability of the interna-tional economic and political system. The question is how this is to be done, given the budget and trade deficits. It is not a cheaper U.S. dollar that should be the mechanism for adjusting the trade deficit but insistence on ing visible and invisible barriers to trade. To do this, Washington's own commit-ment to fair trade should be clear. That was, on the whole, the thrust of President Reagan's foreign economic policy. It would be terrible for the world — and for the United States — if, under pressure from a Congress in the grip of protectionist throes, Mr. Bush were to deviate from this commitment.

- Business Times (Singapore).

[Mr. Bush] has much to prove if he is to gain the respect and popularity that Presi-dent Reagan has earned throughout the world. The U.S. presidency, unlike a presi-

dential campaign, is not something that can be administered by television. Mr. Bush now faces the real would of budget-cutting, nucle-ar weapons, Mikhail Gorbachev and a host of other matters. And be must contend with a hostile, Democratic-controlled Congress. - The Bangkok Post.

Charles Has a Talking Job

It could be easily construed to be unacceptably political for him to become, for example, an ambassador, or the chairman of one of those organizations which frequently finds itself in disagreement with the government. When you sit down and study the options, you begin to realize the practical difficulties and the potential for embarrassment which exists. However, he does believe that it is possible to speak out on various issues, and particularly on behalf of the ordinary bloke. There is no title for the job he is doing now, but be is not applying for another one.

- Tom Shebbeare, an associate of Prince Charles, quoted in The Observer (London).

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OPINION

Jean Monnet: 'The Most Beautiful Job'

P ARIS — A solemn ceremony here the day after U.S. elections brought into focus the difference between the power of public position. I'm modest but because you can't concentrate on with its heady trappings, and the power of a man a thing to be done and on yourself." with an idea. It was the centennial of the birth of Jean Monnet. His remains were brought from the friend, Dwight Morrow, who told him, "There

President François Mitterrand spoke before a dozen other European heads of state and heads of government. "We need to offer great examples to our youth, and here is one," he said of the man who never cared for titles but came

to be known as Mr. Europe.

Two men dominated the revival of France after World War II. One was the commanding figure of Charles de Gaulle, ever conscious of the symbols of glory. The other was the stocky peasant figure of Jean Monnet, plodding through the fields in his rubbers, quietly pushing persuading, manipulating the mighty to build an enduring new institution. Sometimes they worked together, but they didn't get on well. Not only their styles but their

didn't get on well. Not only their styles but their projects were so different.

Mr. Monnet, the son of a brandy distilling family in Cognac, said once: "I know how to wait a long time for favorable circumstances. In Cognac we know how to wait. It's the only way to make a good product." And another time: "For the politician, the goal is always to be in the government, and to be the first ... Everything is about the struggle for office. The purpose of is about the struggle for office. The purpose of power, the problem to solve, is forgotten. I've never known a great politician who wasn't strongly egocentric, and for good reason. If he weren't, he would never have imposed his image and his person. I could not do that, not because

By Flora Lewis

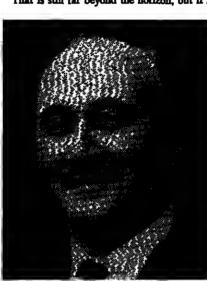
Jean Monnet. His remains were brought from the rural cemetery where be was buried in 1979 to the Pantheon, the majestic resting place for those to whom France reserves its ultimate honor.

The inscription above the portal reads, "Anx grands hommes la patrie recomnaissante." Although he lived 91 years and was proclaimed the first, and so far only. Honorary Citizen of Europe, it was the first time that France had bestowed a formal accolade on Mr. Monnet.

President François Mitterrand spoke before a dozen other European heads of state and avoided that controversial phrase and called for

avoided that controversial phrase and called for eventual political and defense union.

That is still far beyond the horizon, but it is



also far beyond the "Europe of motherlands" which General de Gaulle considered the limit for

ceding national sovereignty.

By 1993, the 12 members of the European Community are to form a single internal market.

Mr. Monnet has already substantially changed

the lives of 320 million people.

He had a clear notion of how to proceed. "Since they take the risks, they need the laurels," he said of the men in the limelight. But when they are short of ideas "they gladly accept yours on condition you leave them the credit.

He added: "I have no taste for the shadows, but if it takes self-effacement to get things done. I choose the shadows.

"Institutions are more important than men.

But only men, when they have the strength, can transform and enrich things which institutions

transmit to successor generations."

It was Jean Monnet who persuaded President Franklin D. Roosevelt to gear up America's industry for the defense of Europe and offered him the phrase "the arsenal of democracy." He was the author of the Schuman Plan, which led to the European Coal and Steel Community, the start of French-German reconciliation and the first step to the Common Market. He devised the Pleven Plan for a European Defense Communi-y, which failed but lingers in the background. He was a man of deep conviction and dogged persistence, but he was not intransigent. He ap-

proached problems with a full understanding that no solution would last unless all involved were brought to see that it was in their common nterest. He worked with presidents and princes, industrial barons and labor czars, but nothing dazzled him except his idea of a future "union of peoples in liberty and diversity."

All European schoolchildren know about

Charles de Gaulle, but they live in a world shaped by Jean Monnet. It is good that be has been enshrined. His is a monument to the reality that can be created when the goal matters

The New York Tones.

America the Model Needs Applaudable Debate

By David K. Shipler

WASHINGTON — For an American who is proud of his country's democratic heritage, traveling between Washington and Moscow during this political season has been a dismaying experience. Sad to say, the quality of political debate has been more intelligent and sophisticated in the world's leading closed society than in the world's leading democracy. troduction of some American concepts into their legal system.

I spent a few days in Moscow last week, at the height of America's presidential campaign, talking with some of the most ardent and articulate supporters of Mikhail Gorbachev's reform efforts. They are in a momentons struggle against their authori-tarian tradition, groping toward

concepts of free speech, elected government and civil liberties that are still only vaguely formed in their minds.

They may fail, and many of them know that, But in their striving they have created an atmosphere in which every idea has weight, no ntterance is empty and each proposal and criti-cism reverbates with heavy implications for the country's political and economic future. There is a creative and exhibitating dialogue on the

the individual and the state. Not so in America. We act as if we have resolved all fundamental questions and our role is to teach the rest of the world. But our best lesson is example, and we set a poor one in the most important of our democratic exercises.
While the Russians were taking the

careful measure of each idea, the trivial nastiness of the presidential campaign was masking the issues for Americans. The slogans and labels tripped easily off the tongue. George Bush's crude appeals to patriotic symbols and fear of crime, and Michael Dukakis's divisive plays to class antagonisms, seemed particularly shallow against the Soviet debate. One sees even more painfully from Mos-cow than from Washington how casu-al we have become about our freedoms, how cavalier with our ideas. It is a truism, of course, that honest debate seems more precious in societies where it is forbidden, and the Russians have therefore traditionally been more devoted than Americans have to their poets, their playwrights and the power of the word. But for the subject of civil liberties, Americans should

lisplay an instinctive affinity. How surprising, then, to encounter more intelligent discussion of civil a more int liberties in Moscow than in the United

B OSTON — When Andrei Sakharov arrived in America last week,

on his first trip to the West, he spoke

of how he respected the United States for its self-criticism. "It is a rare qual-

ity in the world arena," he said. "In

most countries public opinion is

structured to support [the govern-ment]. In the United States there is a

Openness, the habit of self-criticism

has been one of the great American

strengths. Nothing could be in more

striking contrast to the paralyzing public conformity in the Soviet Union,

But are Americans really willing to hear criticism that cuts to the whole

direction of the society? Speech re-

mains extraordinarily free, but will

people listen to uncomfortable truths? The 1988 election is reason to wonder.

nomic strength, farther and farther behind. We invest much less. We let

our roads and bridges and other public facilities decay. We do a far worse job

of educating our children. Instead of making those investments in our fu-

ture, we spend on consumption now.

knows that the Reagan years have seen

immense borrowing from abroad to

finance high living. Everyone knows that we have an appalling federal budget deficit. Everyone knows that the country finds it hard to compete now in microchips and automobiles and

ing less competitive all the time.

vision technology. We are becom-

Those facts are not secret, Everyone

The United States is falling behind Japan and other high-technology countries in the fundamentals of eco-

at least until the Gorbachev era.

very self-critical attitude."

States. While Mr. Bush was making the advocacy of civil liberties sound subversive and Mr. Dukakis was running away from the issue, Soviet jurists and officials were considering the in-

After vilifying the United States for decades, some Soviet specialists now cite it as a model guiding their efforts to reform their criminal code and their judiciary. They are talking about independent judges, jury trials and the right to counsel.

In official circles, intensive battles are reported over how far to go. Some recognize the hypocrisy of the country's constitutional guarantees of var-ious rights and freedoms.

"We had a great constitution under Brezhnev," one senior official told me candidly, "but it had no practical value. There was no law, only empty phrases." Judges, he admitted, were so beholden to the Communist Party

the politicians told them. Now, in a tentative step toward an independent judiciary, judges' terms may be lengthened and party officials may be subject to criminal penalties for pressuring judges. Juries may be used in the most serious cases, and some are urging that any accused be allowed a lawyer at the time of arrest, rather than having to wait until the police investigation is over.

As Andrei Sakharov has com-

plained, some backward steps have been taken, such as decrees giving the police explicit authority to curb demonstrations. And there are enormous systemic and psychological obstacles to overcome before Soviet citizens can regard the courts as protectors, rather than violators, of individual rights. At this unusual moment, when re-

formers in Moscow are looking admiringly at America, it is crucial to keep our own discourse on civil liberties vibrant. If we wish to remain a model, then we must guard against the crosion of our values.

The writer, a former Moscow cornespondent for The New York Times, is a senior associate at the Carnegie Endowment for International Peace. He con-tributed this to The New York Times.

vision is worth it. We should definitely

and easy intercourse of television pro-

gramming possible in a new world television system. The future rewards would be gigantic in all areas. Many other technological wonders

are already stimulating young people

- really, all people - into expressing themselves in an audiovisual medium.

computer, that good friend to creative

writing, design, filmmaking. Technologies like "video 8" enable a person to

make a feature-length film inexpen-sively. The astonishingly clear screens now available on television sets so

small that they fit into attache cases hold out real promise for large, wall-sized television screens for the home.

Seeing, sending and working with words and pictures are becoming easy. This is a creative era. Let us assound

the world with our productivity and imagination. America has a tremen-dous tradition of creativity. It really

has the goods at all levels of art. de-

sign, ingenuity, innovation. Unleash

The arts can flourish with the home

Here Comes a Creative American Era

By Francis Ford Coppola

country to bet on or be part of in these decades to come, I would choose America — not only because of its wealth, size, scope and diversity, but because of its most valuable

resource: talent. America is in a unique position to utilize its creativity to produce the money it needs to do everything it has

with our productivity and imagination.

Let us astound the world

to do. It's not a matter of increasing taxes; it's a matter of using talent. In this next decade, things related to culture — software, creativity and art will be the biggest money-making industries in the world.

Italy, with its tradition of beauty

and culture, can teach America by its example of coming from behind to its position of fifth greatest economy of the world. It did it all on talent: If there is a country even better

design, imagination and creativity. sitioned than Italy, it's us. America has the tradition, has the talent, has the energy, has the hardness, has the

By Anthony Lewis

opportunity to change course.

great country to ignore fundamental

problems until too late - ontil na-

tional decline from great-power sta-

tus is irreversible. It happened to

Spain in the 17th century and Brit-ain at the end of the 19th.

by Professor Paul Kennedy of Yale. I telephoned Mr. Kennedy to ask

what he thought of the election cam-

paign in light of his historical subject.

about the long-term strength of this country," be said — "about trading

competitiveness, the weakness of pub-

lic education, the creation of a perma-

nent underclass in the inner cities. But

they tend to be people who know what

is happening in other countries, who are appalled at what the average 17-

"A lot of people are concerned

But in the election campaign hardly a word was said about those profoundly important realities. Why not? Because if Michael Dukakis had

raised the problems, he would have immediate. On the surface things are

been called an unpatriotic purveyor not bad, people have jobs, the gov-of gloom. Jeane Kirkpatrick would ernment speaks of a continuing eco-

At election time, Americans pre- what happened in British politics be-

fer flag waving to self-criticism. No tween 1903 and 1908. Joseph Cham-

matter how urgently we need to con-front failings that mortgage the industrial position in the world, cam-

country's future, we do not confront paigned for major reforms in indus-

them. And in elections we have an try and education. But there was a

It is not unknown in history for a Chamberlain's campaign lost to the

That was the subject of this year's make a point about long-term trends best-selling work of history, "The Rise and Fall of the Great Powers," prosperous for most of the voters.

NEW YORK — If some genie imaginative work and the prosperity upon by the International Telecoming is up to it; American inventiveness and design talent is up to it. Take the entertainment industry as an example. American entertainment is international entertainment. All over the world, American movies, music and television are served up as the main course to the world's andience.

Soon a major new artery of communication and art will exist: high definition television, with a superior picture and sound, tied to one international standard. If we want this we can have it — but we must pay the price. We can't tie future standards for television to America's presently lower technical

standard just to shore up today's broadcast industry. They have had their turn; don't let them hold us back. When color television was first introduced it was tied to the standards of the 1940s by a decision to make it compatible with black-and-white sets. Today, international trade interests and local broadcasting turf wars have taken global television hostage. An insistence on unnecessary compatibil-ity once again would keep television light-years from what it could be. We could simultaneously broadcast the old standard for a while, as we

presently do with AM and FM in radio, but let the new standard exist sheer creative potential to generate unfettered. The concept of world tele-

But it is difficult for those long-

Mr. Kennedy saw some parallels to

temporary surge of prosperity, and

that things were fine as they were.

Winston Churchill, a leading op-ponent of Chamberlain, mocked him

for predicting "downfall and disas-

The deeper movement went on in Britain, Mr. Kennedy said. "The ero-

sion of the manufacturing base, the

failure to produce enough engineers

and scientists, the social ills of the inner

cities with a 25 percent permanent un-

derclass: All of those were leading to year-on-year shrinkages in Britain's long-term share of world production."

The United States does not have to

repeat that history. Leadership could turn us from folly to self-critical reality.

The New York Times.

Then, as now, it was hard to

perity will make discussions of the budget and the deficit idle chie-chat. Imagination is more important the first time, we can advise our stu-dents not to be afraid to choose artistic professions. No longer does it make sense to say, "Be interested in music or writing or art — but get a degree in accounting or business." All people Time for Straight-Talking Leadership are creative and this new generation is hicky to be born in a time when that aspect of themselves can earn wealth, year-old American knows in compari-son with other developed countries in

for them and their country. But this, of course, is secondary to the pleasure and fulfillment that comes with doing the work you love. The American dream is a creative dream.

The writer is a film director and ducer. He contributed this comment to The New York Times.

February. The principal Soviet mali-tary objective is to destroy resistance, of missile bases. Diplomatically, Moscow is seeking negotiations with Washington on a neutral government. It has signaled its flexibility by purging from the Kabul Communist Party and gov-ernment 165 leading Communist oppopents of a political settlement. Prospects for a quick resistance victory appear problematic, whether or not Soviet forces depart. Both sides are digging in for what is likely to be a protracted civil war in which Washington could end up supporting a client regime in Kandahar or Jalahabad. Trained in guerrilla tactics, the deeply divided resistance groups have

not been able to unite for conventional warfare against Communist-led regular forces in fortified cities. And the resist-

Afghanistan [†] Might Skip Civil War

By Selig S. Harrison

WASHINGTON — Rather than

VV escalate the Afghan conflict in the face of new Soviet military moves,

Washington should recognize that a military victory by the resistance will not be easy and should test Moscow's

professions of readiness for a genu-

inely neutral government.

Despite the withdrawal of Soviet forces from 27 of Afghanistan's 32 provinces, resistance factions have taken only six provincial capitals. Still, the Beauty of Soviet street of the Soviet street str

the Reagan administration predicts an imminent takeover in Kabul and has

encouraged stepped up missile attacks on the capital since midsummer.

The administration opposes the promising United Nations efforts to.

promote an interim government led by

nationalist forces not controlled by

either the Communists or the Paki-stan-sponsored Islamic fundamental-

ist minority wing of the resistance.

Moscow has reacted by deploying sophisticated bombers and missiles

and by threatening to delay the sched-uled completion of its withdrawal in

ance is paralyzed by a split over wheth-er to go for military victory, with fur-ther suffering for fellow Afghans, or move toward a political compromise. Pakistan-spousored, Sunni funda-mentalist factions are pushing for a military decision that would serve Pakistani interests (as defined by the late President Mohammed Zia ul-Haq) but not American interests. President Zia channeled most U.S. weapons aid to these groups, largely drawn from ethnic minorities, while downgrading elements based in Afghanistan's Pashum ethnic majority. He dreamed of installing a Pakistani satellite regime in Kabul in which the Pashtan tribes would no longer enjoy their traditional dominance. Islamabad has long been at odds with Afghan regimes over vast. Pashtun areas of Pakistan that once

belonged to Afghanistan.

Six weeks before his death in August, President Zia, whose lieutenants are still powerful, spoke of the "strategic realignment" that Pakistan and the United States would achieve next spring. "By helping you as a front-line state," he told me, "we have earned the right to have a very friendly regime in Kabul. We won't permit it to be like it was before, with Indian and Soviet influence there and claims on our ter-ritory. It will be a real Islamic state, part of a pan-Islamic revival that will

one day win over the Moslems in the Soviet Union, you will see." Support for a political compromise centers in a loose nationalist coalition of field commanders, Pashtun tribal leaders, respected figures from earlier regimes (notably King Zahir Shah) and Shiite leaders who do not want a regime controlled by Sunnites.

The neutral government proposed by the United Nations would convene a traditional tribal assembly empowered to hold elections. U.S. support for the United Nations would strengthen pragmatists in the post-Zia leadership who recognize that a stable Afghan regime is a precondition for the return of the 2.5 million refugees in Pakistan. America's interest lies in completion of the Soviet withdrawal and a nonaligned Afghanistan free from Soviet-American or Pakistani-Indian rivalry. Washington should recognize that the artificial resistance alliance impedes these goals. Patched together by Pakistani intelligence agencies, it gives anti-Soviet. fundamentalists control over the particular transport of the second of the s more powerful tribal elements. U.S. policy should encourage a regrouping of non-Communist forces under Zahir Shah and the field commanders. The Soviet Union should recognize

that Afghan leaders anointed in Moscow are suspect in Afghan eyes.

Both superpowers should abide by
the outcome of Afghan negotiations under UN anspices as a step toward disengagement from the civil war.

Carnegie Endowment for International Peace. He contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1888: Verdi's Hospital

PARIS - The Gazetta Musicale of count of the hospital recently opened at Villanova, and entirely built and supported by Ginseppe Verdi, the composer. Villanova is situated in close vicinity to the Villa di Sant' Agata, the country seat where Verdi lives in the manner of a farmer, abandoning all music from his thought. The manificence of the great composer is only equalled by his modesty. The opening ceremony was of the simplest kind. No speechifying was allowed, Verdi remarking that the only insuperstant preserve was allowed. only insuguration necessary was the admission of the sick and siling.

1913: Huerta Says 'No'

NEW YORK - A telegram from Mexico City says: "General Huerta tacitly refused last night [Nov. 12] to accede to the demands of the United

down and relinquish indirect as well as direct control of the de facto government in Mexico City. Meanwh Milan contains an interesting ac- in London, carte blanche was given to President Wilson to climinate General Huerta and his puppets from control in Mexico — this is the present attitude of the British government.

1938: CIO Peace Terms

PITTSBURGH -- Broad economic

planning by the government, includ-ing higher wages and texation of speculative wealth, was advocated to-day [Nov. 13] by John L. Lewis in outining the program for his Committee for industrial Organization convention which opens here tomorrow. In reply to the peace "feelers" put out by the American Federation of Labor recently, Mr. Lewis said the C.LO. would receive such overtures when the A.F. of L. was ready to deal on a basis of equality and justice. His organization, he said, had 4,037,877 members, compared States as expressed in an ultimatum had 4,037,877 members, composent by President Wilson that he step with the A.F. of L.'s 3,504,385.

مكذامن الأصل

urfare against Communist let rces in fortified cities. And the uce is paralyzed by a split over to go for military victory, we er suffering for fellow Algha ove toward a political company Pakistan-sponsored, Suni k entalist factions are pushing ditary decision that would and stani interests (as defined by resident Mohammed Zia it not American interests. Pre ia channeled most U.S. waper these groups, largely dust huic minorities, while down ements based in Afghanisman in ethnic majority. He draw ustalling a Pakistani saidie ie Kabul in which the Pashtue ould no longer enjoy their train ominance. Islamabad has look todds with Afghan regimesers ashtun areas of Pakistan las clonged to Afghanistan. Six weeks before his deala! ust, President Zia, whose lines

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The Soviet Union should hat Afghan leaders another Both superpowers should he outcome of Afghan and nder UN anspices as a sell isengagement from the chief The writer is a senior asso. Tornegie Endowment for last if Peace. He contributed ships

o The New York Times YEARS AGO

sown and relinquish indirect source control of the definition of t minde of the British good

1938: CIO Peace Id TTTSBURGH - Broad and laming by the government of higher wages and most poculative wealth was all the poculative wealth was all the program for the on. In reply to the part put out by the America

Promising New Policy, Ighanista Politburo Warns Balts Wight Skip Not to Reject Socialism Moscow — Politburo members have warned the Baltic peoples Moscow — Politburo members have warned the Baltic peoples

hers have warned the Baltic peoples of the Soviet Union against turning their backs on socialism, saving the Communist Party is correcting past mistakes in its treatment of nation-

.The Soviet news agency Tass reported that messages sent by Gen-cal Viktor M. Chebrikov, Vadim A. Medvedev and Nikolai N. Slymkov -- addressed respectively to leaders in Estonia, Latvia and Lithuania -- appealed on Saturday for better interethnic ties.

Some excesses and undesirable phenomena have come to the surace," Tass quoted Mr. Medvedev, the Kremlin's ideology chief, as elling Latvian workers, officials and academics.

"They include attempts to call into question the correctness of the socialist way of development chosen by the Soviet peoples," he said, "wrong understanding of interethnic problems."

He urged citizens to take a "sober and businesslike attitude toward solution of vital issues, abandon words and railies and pass over to practical constructive work." The Kremlin leadership sent the

three men to the three formerly dependent Baltic republics on Friday in an attempt to calm anger over proposed changes to the Soviet Constitution.

The Polirburo has said that the amendments are a crucial first step in political reform. Opponents claim they would tighten Moscow's control over the 15 Soviet repub-

(Continued from page 1)

about a possible Soviet threat has

diminished, and concern has tilted

toward living standards and trade

Many current touchstones in se-

curity policy are economic ques-

Soviet Union, trade terms, technol-

ogy embargoes, arms-development

cooperation. These issues - in

abeyance during the U.S. election

year -could, if mishandled by the

Bush administration, ignite protec-

tionist quarrels within the alliance,

trans-Atlantic harmony on Soviet

retaliation in the form of a burden-

To hold the diplomatic initiative.

But failure to restore closer

policy is liable to trigger economic listic Missile Treaty.

Mr. Bush must produce an arms- the Pentagon to choose between

lions. These include: credits to the

competition.

Newly formed popular fronts in

movement of Lithuania, are calling for control over their respective economies, their currency and local

citizenship laws. Some smaller groups have called for secession from the Soviet Union, and the unleashing of longsuppressed nationalism has increased friction with ethnic Russians who moved to the Baltic region after the states were absorbed into the Soviet Union in

Mr. Slyunkov told Lithuanians during a visit to the capital, Vilnius, that Soviet policy toward the country's various nationalities had not always been perfect.

"There were mistakes which we are energetically rectifying now," Tass quoted him as saying. Mr. Chebrikov, the former KGB

chief, told Estonian farmers that the party had made mistakes in nationalities policy during the "pe-riod of stagnation" — the era of the former Soviet leader, Leonid 1 Brezhnev.

He said that those days were over and the misunderstandings be-tween ethnic groups "had no particular grounds today," he said "The people of Estonia should pool

But the Internationalist Movement, representing Estonia's Rus-sian minority, held a stormy meeting on Saturday in the capital, Tallinn. Russians shouted down the republic's president, Arnold Ruutel an ethnic Estonian who backs the Estopian Popular Front. All three Politburo members em-

on halving the superpower arsenals

of intercontinental missiles. Or he

might concentrate on the proposed

START seems easier. The obsta-

cles left unresolved by the Reagan

administration are important but few: verification, missile mobility

But Mr. Bush is probably more

flexible on two intertwined issues

that dogged START while Mr.

Reagan was in office: the scope of

the strategic defense initiative and

the interpretation of the Anti-Bal-

The START negotiating process

probably could be pushed ahead

far enough and fast enough to force

and the status of cruise missiles.

talks to cut conventional forces.

phasized that the Kremlin was studying ties with its 15 republics and that any problems would be Estonia and Latvia, and the Sajudis solved eventually.

New Motto at PLO: Austerity

By Youssel M. Ibrahim

New York Times Service ALGIERS - The 448-member Palestine National Council was founded in 1964 as a consultative body for Palestinians and has become the highest legislative body for the 5.5 million Palestinians dispersed around the world.

Its decisions become binding policies that can paralyze or mouvate Palesunian actions. Last year's PNC meeting cost \$28 million, but

this year the motto is austerity. The Palestine Liberation Organization, the official host of the meeting, is underwriting fewer invitations, plane tickets and hotel rooms due to efforts to defray the costs of the 11-month uprising

in the Israeli-occupied territories. "We now direct all the financial aid to the intifada," said Abu Usamah, deputy director of finance for El Fatah, the largest and richest of the

Palestinian organizations. The intifada is the Arab accord for the uprising in whose name this special emergency PNC session

is being held. Only 2,000 Palestinians and Arabs are attending the 19th council meeting, one-third of the number wbo came in April 1987.

But anticipation that the PNC will recommend establishing an independent Palestinian state is bringing a sense of euphoria to representatives who have arrived from places far and near, including Brazil, Argentina, the United States, Saudi

Arabia, Libya and Egypt. No one here seems upset that 57 PNC members from Syria could not make it since the government of that country held them back.

And it was fully expected that the 186 council members from the West Bank and Gaza would not be here as Israel, similarly, forbids any contacts with the PLO and makes them a jailable offense.

PNC meetings are not legalistically perfect affairs, because of the immense logistical complications they face. They tend, on the other hand, to be political statements.

Ahmad Abdel Rahman, the PLO's chief spokesman. said: "This PNC meeting is our gift to our people inside. We have entered the peace process and we will give the Palestinian nation which was born in 1947 without a name, a new name independence."

More in the nature of a consultative assembly than a constitutional parliament, the PNC is com-posed of members nominated by blocs of Palestinians representing different political tendencies, armed groups, civilian disciplines and geographi-

The council includes 150 independent members from Western Europe and North and South America as well as distinguished Palestinian personalities and businessmen.

The estimated 120,000 Palestinians living in West Germany are represented, for example, as are the 3,000 Palestinian doctors living in Brazil. Edward Said, a professor of literature at Colum-

bia University, is a member, as is Abu Abbas, the Palestinian terrorist who directed the Achille Lauro affair in 1985. El Fatah, the largest armed group, keeps about

55 permanent seats inside the council. The second largest group, the Democratic Front for the Liberation of Palestine, keeps 25 seats.

PLO: Delegates Favor Accepting UN Resolution 242

(Confinued from page 1)

Post reported from Jerusalem: Israeli officials dismissed as "nothing new" reports from Al-giers that the Palestine National Council was prepared to endorse Resolution 242 as part of its declaration of independence.

The crucial test would be whether the council would endorse Reso-

But conventional disarmament

seems to hold growing appeal for

allied governments because these

talks, expected to begin early next

year, offer a painless solution to

European governments squeezed between military manpower short-

ages and opposition to increased

Conventional arms control is-

sues are so complex that talks could

bog down, but European leaders

have said that two years should be

enough to show how far Mr. Gor-

bachev can go in fulfilling his

promises of a more defensive, less

heavily armed Red Army - the

"litmus test" of Soviet intentions.

In pursuing an arms-control

would couple this endorsement with that of other resolutions that Israel finds unacceptable, a spokesman for the Foreign Ministry, Alon Liel, said Sunday.

added, "But if they say 'We recog-

Atlantic Treaty Organization.

Lance missile in the mid-1990s.

ment of a new missile next year

without an unconditional agree-

ment to deploy it. This timetable,

however, would require a trade-off,

involving West German acceptance

of a postponement for the same

period of any talks about removing

more nuclear arms from Western

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"It all depends on how they say it." he said. "If they say we recognize 242 by itself, then this is a change," he

lution 242 alone, or whether it nize 242 along with the rest of the UN resolutions or in exchange for self-determinauon for Palestinians' then this is not new.'

Mr. Liel said that Israel is opposed to the Palestinian declara-tion of independence because it is a unilateral step and not the result of negotiations with Israel, and because it is likely to be based on General Assembly Resolution 181, which originally called for the parution of Palestine into separate Jewish and Arah states.

Hard-Liners Remain

control agenda for his administra- the MX missile and the Midgetman agenda designed to keep the alli-Hard-line factions of the Palesance from unraveling, a pragmaticminded Bush team may be expecttine Liberación Organization said they would not walk out of the ed to seek ways of defusing the PNC meeting even though it aptouchy nuclear issues in the North peared late Sunday that they had lost their hid to block a peace ini-West Germany, supported by France, has resisted U.S. and Brittiative by the group, The Washington Post reported from Algiers. ish urging to approve, next year, a

new U.S. missile to replace the These factions, led by Mr. Hahash and Nayef Hawatmeh, recom-But the Bush administration mitted themselves Sunday to holdmight be able to settle for West ing together the PLO alliance that German acceptance of developreunited the badly splintered organization in April 1987.

> "Unity is the foundation for everyone," said Abu Ali Mustafa, Mr. Habash's representative on the PLO's executive committee. "We want to preserve the right to register our reservations, but we want to remain allies and friends."

CABINET:

Bush Priorities (Continued from page 1)

the frenzy of Wall Street and the money changers." he said. "They're running around acting as if some living human being could have solved this one problem, the deficit. in 10 days."

"My message to them is it's go-ing to get solved," Mr. Domenici said. "But it's not going to get solved next week or next month. That's an extraordinary expectauon. I think it'll get solved about July or August'

Congressional sources, meanwhile, said Mr. Bush was expected to replace Elliott Abrams, the assistant secretary of state for inter-American affairs. Mr. Abrams, 40. has been a sometimes controversial defender of Mr. Reagan's policies in Central America and has clashed with the Democratic-controlled

Strong Role for Baker

Bernard Weinraub and Peter T. Kilborn of The New York Times reported earlier from Washington: The next cabinet is shaping up in

a way that promises broad influence for James A. Baker 3d the newly designated secretary of state, according to aides to Mr. Bush. The aides say the most powerful

policy positions are likely to be filled with pragmatic middle-of-the road Republicans with strong ues to both Mr. Bush and Mr. Baker. According to one plan now un-

der consideration, Mr. Baker would extend his reach into hudgetary and domestic matters through the appointment of his former deputy at the Treasury Department, Richard G. Darman, as director of the White House Office of Management and Budget.

Moreover, Mr. Baker would play a stronger role than customary for a secretary of state in shaping both international and domestic economic policy through a close connection with Nicholas F. Brady, who is expected to remain Treasury secretary.

Several Bush aides cautioned that the details of the plan were still not definite. For one thing, Mr. Bush in the past bas not felt close to Mr. Darman, and although their relationship warmed during the campaign he could still bridle at naming the assertive Mr. Darman as budget director.

But there is general agreement, according to Bush campaign aides and transition officials, that Mr. Baker, who ran the vice president's campaign and is one of his closest friends, will move beyond foreign policy and play a central advisory role in his decisions, ranging from cahinet choices to the organization of the White House staff to relations with Congress.

Edward A. Rollins, a Republican strategist who is close to the Bush camp, said, "For all practical purposes, Jim Baker will be deputy president."

TOXIC: A Pacific Plan for Waste

(Continued from page 1) would amount to many millions of

Despite these rejections. Mr. Vallette said that in Asia and the South Pacific "there is not as much awareness as there is now in Africa about the dangers of toxic waste dumping."

Africa, he added, has become "off-limits to the international waste trade because of the outery earlier this year over the dumping there of hazardous materials from Europe and the United States."

S. M. Mohamad Idris, Malaysian coordinator of Third World Network, an association of private 2roups involved in development issues, said companies in industrialized nations found it much cheaper to export unwanted chemicals, solvents, pesticides and other toxic wastes than to comply with increasingly stringent disposal restrictions in the United States and Europe.

"The easy way out is to dump the waste in poor countries," he said. In a report issued Tuesday in Brussels, Greenpeace said that Western countries had exported more than 3.6 million tons of toxic waste to the Third World and Eastern Europe in the last two years. Much of the waste went to coun-

tries in Africa and the Caribbean. The 125-page report listed 143 companies that it said were known to have been involved in the trade. In October, authorities in Sri-Lanka and the Philippines turned

away a freighter carrying about 11,000 tons of toxic incinerator ash from Philadelphia. The ship changed its name in August from the Khian Sea to the Felicia after leaving behind about 3,000 tons of waste, labeled fertilizer, in Haiti. Mr. Vallette said the Felicia was

the first large carrier of hazardous waste known to have come from North America or Europe to the Southern Hemisphere to dump its cargo. He said U.S. government tests of the ash had revealed high levels of lead, cadmium and dioxin poisons

with its waste cargo in August 1986, the vessel has been rejected

by 13 countries on five continents Mr. Vallette, who monitors the international waste trade for the Washington office of Greenpeace. was reached by telephone in Geneva, where he was taking part in an eight-day United Nations cooference attended by experts from 50

countries. The meeting, which began Nov. 7, was called to draft an international treaty to control disposal of toxic waste and prevent its illegal dumping in developing countries.

Mostafa Tolba, executive director of the UN Environment Program, said it would be difficult to climinate the illegal trade in poisonous waste because of the money involved. But he said it could be combated with an international agreement that places responsibility for control firmly on exporting countries.

Under the draft convention being dehated in Geneva, exporters must disclose the type and amount of waste, and importing countries must give written consent and show they can handle the material safely.

Dan Fleming, a senior executive of Admiralty Pacific Inc. of Oakland, California, said a team of experts would arrive in the Marshall Islands later this month to conduct engineering and environmental studies on a plan to use nontoxic garbage to fill lagoons in several of the low-lying atolls.

He said the company wanted to begin shipping 3.5 million tons of waste in 1990, huilding up to seven million tons by 1995.

Mr. Fleming said waste disposal in the United States was becoming more difficult hecause most dump sites were filling up, and because burning garbage could produce hazardous by-products.

Oscar de Brum, chief secretary of the Marshall Islands, said the government was interested in the proposal.

vels of lead, cadmium and dioxin
bisons.

Promoters say the Marshalls can
earn up to \$56 million a year by
1995 if the plan is approved.

BUSH: Transition of Sun and Sea

(Continued from page 1)

Campbell Jr. of South Carolina, Governor Thomas H. Kean of New Jersey and Richard Nixon.

For the record, Mr. Hart added, these conversations had nothing to do with the other, Washington,

transition. Mr. Bush was in an upbeat, almost giddy mood; so good, in fact, that when he returned from his two-mile run and encountered an Associated Press reporter, Rita Beamish, on a jog of ber own at the entrance of the Farish driveway, be invited her in for a swim.

"I baven't really gotten down to the bottom of the unwinding yet. Mr. Bush told the reporter. Then the president-elect, wbo

was often criticized during the campaign for being inaccessible to the press, invited her for a dinghy ride out to a patrolling Coast Guard catamaran. He then swam most of the distance back, allowing himself to be towed part way by a

Less athletic reporters, gathered for a briefing on the day's events later, listened as the AP reporter related details of the strennous but essentially news-free encounter, down to the color of the shorts the president-elect wore. They were

"He's in really good shape," said the 36-year-old reporter, who often runs five to eight miles a day. "He's got really good legs for his age."

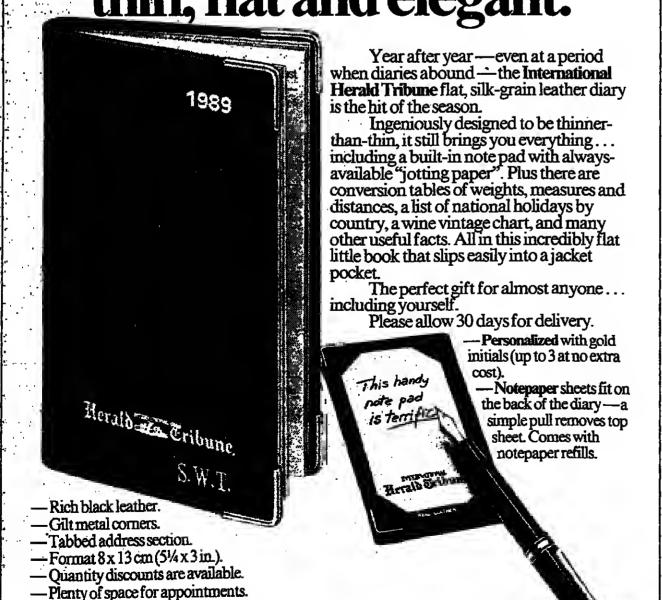
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POLICY: Arms Control Is Expected to Become a Cornerstone for Bush

tion. He might concentrate, in the Strategic Arms Reduction Talks, eliminating one of these expensive, competing land-based

nuclear weapons.

military spending.



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Market Takes a Breather To Watch Falling Dollar

By CARL GEWIRTZ

ARIS — Activity in the Eurobond market slowed to a crawi last week as investors waited to see what emerged from the weeklong attack on the dollar, which fell 3 against the Deutsche mark and 2¼ percent against the yen. The dollar's battering encountered only token central bank resistance, encouraging speculators to push the

By week's end, technical analysts, so-called chartists whose forecasts are based solely on the patterns formed by the daily

It is questionable

West Germany

dollar decline.

whether Japan and

want to reverse the

closing prices of currency rates, were predicting that the dollar could only continue to

Steven Crane, a private London-based chartist, said the week's decline had left the dollar in an "appalling techni-

cal condition Steven Blitz, a technical an-

alyst at Salomon Brothers Inc.
in New York, said the dollar's fall through important resistance levels showed that "there is still a significant amount of selling to

The analysts agreed that the dollar is headed down to match its record low of 120 yen from the Friday rate of 122.85 yen in New York and to 1.70 Deutsche marks from 1.7375 DM. Mr. Blitz sees the dollar at those levels before year-end. By the end of the first quarter, he said, the currency could be down to 112 yen and 1.65 DM.

In fact, Mr. Blitz is a lot more optimistic about the dollar than the numbers suggest. He said the current momentum of the decline of the dollar was slowing from the rate of change in earlier downturns. Such "divergences in momentum often presage turning points" suggesting that as it declines, "the dollar may be building a major bottom" and that next year's lows may form the base from which the currency begins a long-term recovery.

Fundamental analysts see things differently. Neal M. Soss, economist at First Boston Corp. in New York and a former assistant to Paul A. Volcker, when he was chairman of the Federal Reserve Board, said the week's fireworks in the foreign exchange market were designed "to remind the new administration that financial stability requires certain action to keep foreign creditors cooperating with the United States."

If the dollar continues to weaken, he said, this week would see

If the dollar continues to weaken, he said, this week would see central bank "intervention in a convincing and coordinated way" that will hold the dollar "within its trading range of 1.70 to 1.85 DM and 120 to 135 yen."

Intervention this week may be more effective than last week since Washington will report its September trade deficit on Wednesday, Analysts at Credit Suisse First Boston in London warn that speculators may be tempted to repurchase the dollars they have sold just before or after the report. The market "apparently looks for a \$1 billion improvement" from August's sharply increased \$12.2 billion deficit, but Credit Suisse First Boston says the decline could be as large as \$3 billion. Boston says the decline could be as large as \$3 billion.

Such an improvement might provide a reprieve for the dollar. But it is questionable whether one month's data would reverse the foreign exchange market's mainfest lack of confidence in the ability of George Bush, the president-elect, to move quickly next year to reduce the budget deficit or improve the outlook for further cutting the trade deficit without a further substantial fall

Mr. Soss is convinced that if the pressure continues the Federal Reserve will raise interest rates. He sees a quarter-point rise in the cost of overnight money, to 81/2 percent, by no later than Christmas and an increase to 91/2 percent by mid-1989.

Market rates have already moved up. The dollar's drop sparked a sell-off on Wall Street, driving down stock prices. Although the New York bond market was closed Friday for a holiday, U.S. bond prices were knocked down in London. The Treasury's 30-year bond ended the week yielding 9.03 percent, np from 8.91 a week earlier.

Brendan Brown, economist at County NatWest in London, also sees higher U.S. interest rates coming soon. He warned that a lower dollar "would be counterproductive." He said the United States needs a tighter monetary policy to dampen domestic demand.— which would result in fewer imports and liberate domestic production for export - rather than a lower dollar, which would fuel inflationary pressures.

Arnold Simkin, London-based economist for Stratecon, disagreed on the likelihood of higher interest rates. He sees the U.S. economy slowing down and also fears that the Fed is hostage to the crisis in the savings and loan industry and the mega-buyouts in the stock market - both of which could become unstuck if

But this view was challenged by Mr. Soss. "I don't believe that See EUROBONDS, Page 11

Currency Rates

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Last Week's Markets

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United State		Nov. 4	Ch'9e	United States	Nov. 11	Nov.
IJ Indus.	2.067.03	214580	-3,67%	1) iscount rate	61/2	61/2
DJ UIII.	182.55		— 1.91 %	Federal funds rate	8 5/16	B 3/16
OJ Trans.	909.35		-219%	Prime rate	10.00	10.00
S&P 100	254.27		-250%	Jopan		
S & P 500	267.92		-304%		21/2	21/2
S&P Ind	308.11	321.51	-417%	11 iscouni	39/16	3 15/16
NYSE CO	151.24		286%	Call money	· A4	47/16
Briteia				3-month Interbook		7//10
FTSE 100	1,802.70	1 834 30	—1,72 %	West Germony		
FT 30	1.441.20		-14%	Lombard	5.00	5.00
lagge ·				Cati money	41/2	4.60
Nikkel 225	28,489,57	en nen ne	+1.92 %	3-month Interbook	4.80	4.99
Wast Germa		<i>U</i> (753.25	T 1,72 70	Britola		
				Bank base rate	12.00	12.00
Commerchi		La15.50	—2/5%	Coll money	1144	12.00
Hong Kong				3-month interbank	1215	12 3/16
Hone Sens	7.583.74	2.584.51	—0,033°n	Oak Nov	II Nov 4	China

. 474.30 475.80 + 0.11 % London p.m. lix.\$ 420.30 421.00 - 0.17 %

Nabisco Battle Could Harness the Buyout Binge

By Anise C. Wallace Sew York Tomes Service

NEW YORK — Revulsion over the frenzied battle to buy RJR Nabisco Inc. for more than \$20 billion may do something that neither the insider-trading scandal nor any other mega-acquisition has accom-plished: cause Washington and investors

to try to curb takeovers. Never before has the criticism come from so many quarters. As the scent of hundreds of millions of dollars in fees and profits lures others to join the fray, everyone from prominent Republicans to the institutions that have been financing the mania are wondering whether enough is

Referring specifically to the RJR Na-bisco fight, Joseph L. Rice, president of Clayton & Dubilier Inc., a New York leveraged buyout fund, said, "I think it's elearly out of hand."

People on Wall Street saw the concerns expressed last week by Senator Bob Dole, Republican of Kansas and the Senate mi-

nority leader, as particularly significant. Who is a limited partner in the Forstmann, and bank commitment fees could reach Johnson and Shearson Lehman Hutton, After all, it was the Republicans' laissezLittle & Co. buyout fund plans to question \$250 million; and merger and advisory fees the investment bank.

At a seminar sponsored by the American Stock Exchange, Mr. Dole raised the possibility that Congress might revise the tax code to curb acquisitions financed largely

that these deals are piling onto corpora-tions. Alan Greenspan, chairman of the 55 billion for clients. Federal Reserve Board, last month suggested that the Senate consider such action and urged bankers to show caution in take-

Whether they beed such advice remains

But clearly some bankers and insulutional lenders who have been financing the partment Stores last spring, after an I I-week wave of buyouts are becoming skittish — battle. wave of buyouts are becoming skittish about the higher stakes, the nastier tone of the battles and the possibility that their own companies could be the next to be million.

fees and profits explains why everyone involved in the takeover lest is so reluctant to leave the party.

Investment banks and law firms were rewarded with \$200 million in fees after Campeau Corp. acquired Federated De-

wn companies could be the next to be willion.

The buyout fee could total \$80 million to At least one corporate pension official stop million; the junk bond underwriting buyouts, against the group led by Mr.

faire attitude of the past eight years that made the takeover boom possible.

At a seminar sponsored by the American

At a seminar sponsored by the American It remains to be seen whether fear will banking firms another \$25 million to \$75 offer.

de to curb acquisitions financed largely ith borrowed funds.

Worried about the buge amount of debt

Sources Asset Management, which invests compensation package for RJR Nabisco executives involved in the deal that could executive individuals by more than \$100

"It offends my senses that these guys are making this much money," Mr. Eisen said. "They're not inventing a cure for cancer." The management group led by F. Ross Johnson, chief executive of RJR Nabisco, said last week that it was studying ways to share any potential profits with a larger

group of managers.

The RJR Nabisco battle so far pits

In a leveraged buyout, a group of inves-tors, including management, uses bor-rowed money and some of its own to buy the company's stock from its public share-In the past, these companies have profit-

ed by drastically cutting costs and from the later resale of the company or its divisions. Those in favor of these transactions argue that managers with a financial stake in the company are more productive and effi-

But critics say the heavy use of debt is putting a strain on the linancial system, which will be sorely tested in a period of economic weakness. They also cite the devastation to bondholders when a company takes on additional debt. In response to a question about the ef-

Announcing plans in Moscow for last year's big petrochemicals joint venture, in November, were, from left, Francesco Russo and Pasquale Langolfi of Montedison of Italy; Armand Hammer; and S. Koshiba of Marubeni Corp., the Japanese partner. Soviet-Japan Deal a Blow to Occidental

By Andrea Adelson

New York Times Service LOS ANGELES — The agreement just nology.

The Japanese offered such attractive reached between a Japanese consortium and the Soviet Union to study a giant petrochemi-cals complex is seen as a setback to Occidental Petroleum Corp., which announced in June that it intended to head the project in Siberia with Western partners.

The Japanese deal is a sign that Armand Hammer, the chairman and chief executive of Occidental who has had unmatched entree into the Soviet Union, is finding Moscow a more competitive place.

The Japanese partners in the deal, for a complex costing up to \$6 billion, are Mitsubishi Corp., Mitsui & Co. and Chiyoda Corp., it was announced Friday. Some reports said that an American concern, Combustion Engineering Inc., was also part of the group. A spokesman for that company could not say Friday whether it was a participant.

Occidental, an oil and chemical company based in Los Angeles, has been the Soviet Union's largest American trading partner for the past decade.

The agreement with the Japanese, announced in Moscow, could be a sign that Occidental's role is diminishing as European,

Japanese and other American companies

move to establish footholds in the Soviet

.: It comes at a time when the Soviets are aggressively seeking foreign capital and tech-

terms that the project was awarded to them," In an interview last week, Mr. Hammer

appeared unconcerned that Occidental might soon be eclipsed by its rivals in the Soviet market. "We think we're still in a good position to take advantage of opportunities," he

He added that no single company could expect to monopolize Soviet trade, no matter how well connected its executives might be. In the past 20 years, at least five other proposed business deals between Occidental and the Soviet Union failed to materialize

after being announced with some fanfare. They gave it to other companies or they found they could do it themselves," Mr. Hammer said. "Future companies have to remember that."

In addition, the Soviet Union, with its strict currency rules and daunting bureaucracy, remains one of the world's most difficult markets to penetrate.

The flurry of announcements of Occiden-tal-Soviet deals has created an exaggerated impression of their importance to the Los Angeles-based oil and chemical company.

"There's been more bype than success, but

substantial success," said Professor Marshall l. Goldman, associate director of Harvard's Russian Research Center. "As a portion of Oxy's business, it's a small percentage." But Mr. Goldman stressed that Mr. Hammer had "accomplished more than anyone

else" with the Soviets. A consortium of six of America's largest companies has been working for months to conclude what is expected to be the largest

and most complex joint venture with the Occidental's largest Soviet venture is a 20-year barter deal for fertilizer chemicals,

which was valued at \$20 billion when it was Except for a 14-month embargo on phosphate, imposed by President Jimmy Carter after the Soviet incursion into Afghanistan in

1979, the fertilizer deal has been profitable, Mr. Hammer said. Last November, Occidental, the Italian companies Montedison SpA and Ente Na-

zionale Idrocarburi, and Marubeni Corp. of Japan agreed to develop and operate a \$6 billion petrochemical plant at Tengis, near the Caspian Sea.

made a \$200 million deal to build and operate two polyvinyl chloride plants at Kahish, in the Soviet Ukraine.

looking for Japanese buyers.

"Some will make the trip all the

Mr. Cody said Japanese acquisi-

way out bere," Mr. Quigley said. "Hunger makes you look twice."

tion of ranches and beef processors

was "inevitable" for economic rea-sons. The value of the yen has dou-

bled against the dollar in the past

three years, meaning U.S. property

has become half as expensive for

Still, Mr. Cody said, it troubles

him to see Japanese firms profiting

from the market opening that was a

The Soviets will pay for half of both com-

Without partners, Occidental in April The current administration, including members expected to re-

"The administration is not push-

declined to be named said Friday. financial markets that the Reagan

administration or Mr. Bush's transition team might merely be tolerating a decline, the official said, The dollar has gone down over the last few days. Is that toleration or not? 'Tolerate' is a funny word. The

The official, who is familiar with

and downs," the official said.

U.S. and Japan Said to Plan **Currency Talks**

Compiled by that Stuff From Dispatches TOKYO - Senior Japanese and U.S. monetary officials are expected to hold talks in Paris this week to discuss ways to stabilize exehange rates, the Kyodo News Service said Sunday, quoting government sources.

Toyoo Gyoten, Japan's vice finance minister for international affairs, is to meet David C. Mulford, assistant secretary of the Treasury, the sources said. The two officials are both scheduled to be there to Policy Committee of the Organization for Economic Cooperation and

Development starting Monday.

The sources said there was also a possibility of an unofficial meeting of deputy finance ministers of the Group of Seven major industrial nations during the two-day OECD

Faced with the dollar's recent plunge against other leading currencies, the deputy ministers would reconfirm the principle of policy coordination among the monetary authorities of Britain, Canada, France, Italy, Japan, the United States and West Germany, the sources said.

Japanese Finance Ministry offiwere not available to c the Kyodo report.

Foreign exchange dealers have said the dollar could continue to fall this week, although the value of the currency may be affected by the U.S. trade figures for September, to be released Wednesday.

The recent dollar decline began after the U.S. presidential election on Tuesday. Traders said the slide was prompted by uncertainty over the monetary stance of the next U.S. administration under George Bush, the president-elect, as well as doobts about whether the Group of Seven is still in accord on exchange-rate policies.

In New York, the dollar has fallen 2.3 percent against the yen, to 122.85, and 2.9 percent against the Deutsche mark, to 1.7375, since the

main after the inauguration of Mr. Bush on Jan. 20, is showing few signs of concern, by word or deed, about the falling dollar.

ing the dollar down," an official who In response to speculation in the

policy is neither one of benign ne-glect nor one of pushing it down."

currency policy, also implied that the exchange rate of the dollar was still within the secret limits that the United States established in agreement with its leading trading partners, including Japan and West "In the game of exchange rates,

you have to tolerate a range of ups

The official said the Reagan administration fully endorsed remarks by the Treasury's undersecretary for domestic finance, George D. Gould, on British television. "I must emphasize that we, as a matter of policy, have no interest in seeing the dollar lower," Mr. Gould

cials are showing little sign of concern. The Treasury secretary, Nicholas F. Brady, went home to New Jersey. And the former Treasury attend a meeting of the Economic secretary, James A. Baker 3d, Policy Committee of the Organiza-whom Mr. Bush has chosen to be his secretary of state, was said to be

on a ranch without a phone. Appearances of calm and statements of unconcern, however, are characteristic of the ways governments manage currencies.

Because of the secrecy in which they cloak changes in policy, the markets often do not learn of a change until they see it, when central banks intervene heavily to push a currency up or down or when news conferences are suddenly called to announce a change.
(AFP, NYT)

Interco Offer Extended but With Limit

The Assertated Press

NEW YORK - The investor group waging a \$2.7 billion hostile bid to acquire interco Inc. said Sunday that it was extending its offer by two days, but threatened to withdraw it if the company continued refusing to negotiate.

Cardinal Acquisition Corp. extended its \$74-a-share cash tender offer, which was to expire at midnight Monday, through midnight Wednesday. The group, headed by the broth-

ers Steven and Mitchell Rales of Washington, in a letter to Interco's board also stated that it would terminate the offer if the company had not agreed by 5 P.M. Wednesday to give the group confidential corporate information or enter into buyout talks.

Cardinal Acquisition announced last Wednesday that Interco stockholders bad tendered 29.6 million shares under its offer. Combined with the 3.2 million shares the group already owns, that would give the Raleses control of 92 percent of Interco's shares outstand-

In its letter, the group contended that the only barrier to completion of a buyout was the company's refusal to withdraw its poison pill takeover defense.

Last week, the Delaware Chancery Court enjoined the use of the defense, but Interco has appealed the decision to the Delaware Supreme Court, which agreed to hear the appeal on Nov. 30. Interco. which is based in St. Louis, Missonri, is incorporated in Delaware.



Japanese Cowboys Find a Home on the Range chord, it is provoking mixed reac- iffs have made the beef industry

By Fred Hiatt

Nov. 11

· Wushington Post Service TOKYO — Last summer, after years of pressure from Washington, the Japanese agreed to allow Amer-ican beef producers to sell more meat in Japan. Then the Japanese set about the business of becoming American beef producers.

When a Tokyo meat wholesaler,

Zenchiku Co., bought the 77,000acre (30,800-hectare) Selkirk ranch in Montana for \$13 million a few days ago, it was not the first and certainly will not be the last Japanese foray into cowboy country. With beef imports set to rise by 60,000 tons a year on the way to full liberalization in the 1990s, Japadese companies are increasingly interested in buying cattle ranches

United States. Japanese attraction to such acquisitions "has definitely gone up, and we feel there will be more in the future," said David P. Quigley, Asian director of the U.S. Meat Export Federation, a quasi-governmental association.

and meat-processing plants in the

"For a while, we were running two or three tours per week" by prospective buyers to the United States, he said. "We almost wanted to set up a travel department." Japanese investment in the U.S.

beef industry so far has not been as heavy as in Australia, where it has sparked protests and fears among Australian cattlemen that only Japanese companies' beef products will succeed in the newly opened Japanese market. But even in the United States,

where Japanese investment in gen-

our products? What is the necessity to come and buy our producers? Billy Cody, director of Oregon's Japan Representative

What is the mentality that refuses to buy

dustry. We already produce very good products." "So what is the mentality that

refuses to buy our products?" he asked. "What is the necessity to come and buy our producers? Japan's response to the opening of its market to foreign beef, historically closed to most imports,

mirrors its reaction to domestic

"The whole point in opening up the Japanese market was for Amer-

ican producers to be able to sell

here," said Billy Cody, director of

Oregon's Japan Representative Of-

fice in Tokyo. "It's not a question

market access by foreign industry in general. As international pressure and changes in currency exchange rates have made Japan more hospitable to foreign products, Japanese firms have begun supplying many of those "foreign" products by selling U.S.-made Honda Accords, South Korean-made Toshiba videotape

recorders and similarly produced goods in Japan, As Japanese ranchers here coddle their cattle, brushing them and eral has become an issue and foreign purchases of ranchland sometimes strike an especially sensitive tender, so Japan's quotas and tar- and declining beef consumption at

velop an industry. We have an in-

among the most coddled in the

country. A pound of hamburger

beef, as a result, can cost \$12 or

But even as the government was

still resisting U.S. pressure for mar-

ket access last spring. Japanese firms were preparing for the even-

Mr. Quigley said his federation.

while aware of the potential sensitivity, had encouraged the investment so far and had not encountered much opposition. He said that U.S. beef producers would have to compete with Australians for a market share in Japan and that ties to Japanese firms would help U.S. ranchers learn to satisfy demanding Japanese customers. "We see it as a race against Aus-

tralia," Mr. Quigley said, "We're trying to cement our ties with Ja-

In addition, be said, U.S. ranch-

lian and U.S. beef producers. Not all the acquisitions have

been publicly announced, but Mr. Quigley said he was aware of about eight ranches and several beef-processing companies being purchased by Japanese this year, while other companies are building processing plants overseas.

U.S. goal for so long, Mr. Cody said a major Japanese meat distributor recently approached him looking for a mest-processing plant to buy in Oregon, but he has not responded vel. Mr. Cody said he did not want to

Japanese buyers.

be labeled a "Japan basher." To be sticking up for the inter-

ests of one country does not mean disparaging another country," he said. "I'm interested in supplying processed products, not just raw "The next step is saying we

should just become a colony. I think the Japanese would feel the No one knows exactly how many

American ranches the Japanese have purchased.

though, is that an unidentified Japanese firm has purchased Washington Beef Co., one of the 100 largest in the United States, Mr. Quigley said. Another bought Colonial Beef Co. in Pennsylvania. A fertilizer company bought a breeding ranch feeding them beer to make them ers, hurt by depressed land prices in Missouri, a Japanese newspaper

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		Col	mpiled l	y Lou	rence D	eviletes
issuer	Amount (millions)	Mat.	Coup.	Price	Price end week	Terms
FLOATING RATE NO	TES .	_	<u> </u>			
Portugal	\$700	1993	0.05	100	99.93	Over 6-month Libor, Collable at par in 1990, Fees 0.057 Denominations \$10,000, (Credit Susse First Boston.)
Leeds Permanent Building Society	£ 135	1998	У.	100		Over 3-month Libor. Callable at par in 1993. Fees 0.307 Denominations £10,000. (CSFB.)
FIXED-COUPON -						
Stop & Shop Finance Int'l	\$200	1996	10%	101%	100.23	Noncollable. Fees 2% Denominations \$10,000. (Banker Trust in 1.)
Nichirei Finance (U.S.A.)	DM 60	1993	51/4	101%	99,88	Noncollable private placement. Fees 196%. (Bank of Toky Deutschland.)
WestLB Int'l	DM 100	1994	5%	100%	99.50	Noncollable. Fees not disclosed, (WestLB.)
Blue Circle Industries	£ 150	2013	. 10%	991/4		Noncollable. Fees not disclosed, (Baring Brothers & Co.)
European Investment Bank	DF 150	1998	6¼	1011/	99.25	Nancalable, Fees 2%. (Amsterdam-Ratterdam Bank.)
Goodman Fielder Industries	DF 125	1993	61/2	101%	99,88	Noncollable, Fees 11/1%. (Amro.)
Nichirei Finance (Holland)	DF 50	1993	6¼	100%	99.38	Noncellable private placement, Fees 197%. [Algement Ban Nederland.]
Rabobank Nederland	DF 200	1995	6¼	101	99.75	Noncollable, Fees 1 %%. (Rabobank Nederland.)
VNU	OF 100	1993	6	101%		Noncolloble, Fees 115%, (Bank Mees & Hope.)
Creditanstalt Banverein	ECU 100	1993	7¾	101%	99.73	Noncollable. Fees 196%. (Minsubishi Finance Int'l.)
European Community	ECU 100	1991	7%	101%	99.83	Noncollable, Fees 136%, (CSFB.)
European Community	ECU 100	1992	7%	1011/4	99.75	Noncollable, Fees 135%, (CSF8.)
European Community	ECU 150	1993	7½	101%	99,88	Noncollable, Fees 199%, (CSFB.)
Toyota Motor Credit	ECU 150	1993	71/2	101%	99.63	Nancallable, Fees 1%%. (Union Bank of Switzerland Secur Nes.)
Post-Och Kreditbanken	cs 120	1989	101/4	100%		Noncollable, Fees #%. (Banque Paribas Capital Markets.)
Canadian Imperial Bank of Commerce (Australia)	Aus\$ 90	1990	14%	101%	100.25	Noncollable, Fees 197%. (Salamon Brothers Inf'L)
Deutsche Bank Finance	Aus\$ 100	1995	1214	991/4	97.63	Nancollable, Fees 2%. (Doutsche Bank Capital Markets.)
NordLB Luxembourg	Aus\$ 50	1991	14	101%	100.25	Noncollable, Fees 11/2. (Norddeutsche Landesbank.)
Royal TrustCo	Aus\$ 75	1993	13%	101¾	99.63	Noncollable, Fees 2%. (Wood Gundy.)
South Australia Government Financing Authority	Aus\$ 100	1994	zero	53%	53.13	Yield 134%. Noncoloble, Fees 116%. (Hombros Bonk.)
State Bank of New South Wales	Aus 100	1993	13%	102	99,88	Noncollable, Fees 2%, (CSPB.)
Unilever Capital	Aus\$ 100	1993	13	102	100.00	Noncollobie. Fees 2%. (Deutsche Bank.)
Alliance & Leicester - Building Society	· ¥ 10,000	1995	2	10114	_	Coupon will be 2% until 1992 and 8% thereofter, Noncolloble. Fees 1%%. (Mitsubishi Trust In/T.)
Nordic Investment Bank	Y 30,000	1994	4%	1011/4		Noncofioble, Fees 13/%, (BJ Int'L)
EQUITY-LINKED						
Hitachi Construction Machinery	\$100	1992	open	100 -	101.25	Coupon indicated at 5%. Noncollable, Each \$5,000 note with one warrant exerciscable into company's shares of an expect ad 24% promium. Fees 24%. Terms to be set Nov. [8 [Nomura int'L]
Mory Industries	\$ 50	1992	51/2	100	101,00	Noncellable, Each \$5,000 note with one warrant exercisable into company's shares at 904 yen per share and at 124.92 yen per dollar, Fees 24%, (Nomura Inf1.)
OSG ·	\$30	1992	51/2	100	_	Noncollable, Each \$5,000 note with one warrant exercisable into company's shares at 933 year per share and at 126,30

EUROBONDS: Market Pauses to Consider Dollar

쁔냸

tools to deal with specific problems, policy has to be structured to those needs are for tightening." Mr. Brown concurs, argning that

to delay raising interest rates will only permit inflationary pressures to build up and require even larger trate hikes at a later date. It would be better to "fine-tune now" with smaller increases than to put it off,

However, higher interest rates, if they come, are not expected to do much to help revive the dollar.

Richard Koo, Tokyo-hased economist for Nomura Research Institute, said there were "huge sell orders" of the dollar at 127 yen by Japanese institutional investors who had had been caught by the sharp fall in the rate. The expected dollar sales would effectively set a lid on how high the dollar could

Mr. Koo said that most of last week's dollar sales in Japan were from interbank traders and that institutional investors had not yet ioined the bandwagon in any big way. If that changes, he warned, not only would the decline of the dollar pick up speed, but it would also probably be accompanied by a sell-off of dollar-denominated assets, triggering further weakness on Wall Street.

As for the likelihood of intensi-fied central bank intervention, it is for the next three years, at which questionable whether Japan and West Germany want to reverse the decline of the dollar at this point. A more expensive dollar would slow the reduction of the U.S. trade deficit and further widen the trade surpluses of Japan and West Germany, which already are increasing, as well as add to inflationary pres-

Helmit Schlesinger, vice president of the Bundesbank, who last week utioned that domestic price stability must not be bartered away for the sake of international coop- yields 25 basis points over domestic cration. Attempts to achieve too paper.

(Continued from first finance page). much through international cooperation, be said restating a point burdens on a country's domestic

> overburdened if at the same time it alone were expected to stabilize exchange rates, to keep inflation rates low and to facilitate high economic growth and, of course, provide for low interest rates," he said.

takes place, Mr. Brown sees limited upside potential for the dollar because "the trend in European interest is likely to be upwards in comiog mooths. German mooey market rates could rise by a quarter to half a point over the coming quarter as the Bundesbank responds to monetary growth above target amidst evidence of economic

Mr. Brown added, "The prospect of a modest rise in German rates together with the enhanced appeal of DM Eurobonds could bring new ensions in the European Monetary System - to which the Banque de France would react by allowing some rise in rates, especially in view of the optimistic forecasts for

French economic growth." The enhanced appeal of Deutsche mark Eurobonds stems from the government's decision to apply oext year's 10 percent withholding tax on domestic interest only on the coupon payment date, rather than have the tax accrue as the bonds are point, the government last week said, the procedure will be re-

The move means that foreign investors effectively can escape pay-ing the tax as long as they do not hold paper on the payment date.

DM Eurohond prices bave dropped sharply, while domestic bond prices have risen. Until re-Doubts about West Germany's cently, yields on tax-free Eurowillingness to engage in massive bonds were 60 basis points, or 0.6 support operations were fed by percentage point, lower than comparably dated domestic bonds. Although prices are still moving, many analysis believe the reduced liquidity of Eurobonds will push

Despite the favorable tax ruling and the currency's appreciation, fiscal or monetary policy is hostage the West German central bank has there was little foreign demand for to financial structures: We have often made, could place excessive DM paper last week. In fact, that

> monetary policy. l he Austrahan dollar sector wi active with seven new issues launched - far too many for a market dominated by retail investors. Rising domestie interest rates Regardless of what intervention

— which have pushed the Austra-lian dollar to a four-year high against the U.S. currency — have enhanced the potential for borrowers to swap the proceeds of Eurobonds into ever lower-cost floating

But bankers say investors are reluctant to buy the oew issues with the currency valued so high.

In the European currency unit sector, triple-A-rated Toyota Motor Credit Corp., the U.S. finance company of the Japanese anto giant, offered 150 million of five-year bonds priced to match the 150 million of European Community paper carrying a maturity of four

years and two months. Many professiooals thought Toyota's pricing too tight. In the aftermath of heavy selling, Union Bank of Switzerland, the lead manager, let the price slip to a discount of 21/2 points. That was 1/4 point outside the fees paid to underwrit-

ers and set off howls of protest. Despite investor aversion to U.S. corporate issues, a weak credit cur-rently involved in a management buyout was able to market \$200 million of eight-year bonds.

Stop & Shop Finance Interna-tional collateralized the issue with property valued at \$332 million and obtained the guarantee of Financial Security Assurance on the interest and principal payments of the bond issue. This gave the issue a triple-A rating, and investors were even protected against the credit standing of FSA since it can be replaced as guarantor if its own current triple-A rating falls below

All that plus a coupoo of 10% percent, a whopping 116 basis points over yields on U.S. Treasury bonds, meant the issue was a sell-

CURB: Buyouts Could Backfire as Criticism Grows

(Confinued from first finance page) fect of leveraged buyouts on bond-

holders, George Roberts, one of the founding partners of Kohlberg Kravis, last week said, "they should have had covenants" to protect against them from leveraged deals like the one he is proposing.

Originally Kohlberg Kravis and a handful of other huyout furns had this lucrative business to them-

Until recently, Wall Street firms acted strictly as advisers and underwriters in leveraged buyouts, sending deals to the buyout firms. who rewarded them with banking business. They did not invest as Principals.

rill Lynch and Morgan Stanley have begun raising pools of capital to invest. By last summer there was an estimated \$25 billion in equity capital, which could finance deals totaling \$250 billion.

A great deal of the capital behind the leveraged buyout funds comes from corporate and state pensioo funds. Attracted by annual returns of 40 percent to 70 percent a year, these institutional investors committed hillions of dollars to buyout

them has given rise to a byzantine tangle of conflicting relationships.

The pension fund of RJR Nahighest bidder.

But in the past few years, invest-ment banks such as Shearson, Mer-partner in the Forstmann, Little buyout fund that is considering a bid for RJR Nabisco. And while Ralston Purina is one of Forstmann's partners, the Ralston Purina pension fund is a partner in the Kohlberg Kravis fund.

While institutional investors may try to pressure the buyout funds to slow the pace, these institutions are legally committed to provide the capital they previously

Thus, like some creature devour-But the mad rush to invest in ingitself, they may be forced by the takeover pools they created to auction off their own companies to the

Good Times for Cost-Cutters

By Carl Gewirtz

PARIS - Portugal came to the international market for \$700 million last week. But instead of raising the money through a syndicated bank credit, as expected, it opted for a floating rate Eurobond.

nization for Economie Cooperation and Development to tap the market since Australia's \$600 millioo floating rate note in late 1986, Portugal sought to cash in on investor appetite for sovereign paper. This appetite has driven yields down sharply at a time when the declining.

This is the result of sovereign or

don interbank offered rate.

As a result of the bond swap, the commission will now be paying about 45 basis points below Libor for its money.

Portugal itself raises money in

Limean, the average of the bid/of- after. fered London interbank rate. But, in the search of five-year money, Portugal needed to tap either the credit or the bond market. In the credit market, bankers said it would have had to pay between 15 to 17½ basis points over Libor.

But in the floating rate market,

Libor. This is the result of an interest rate of 5 basis points over Libor and front-end fees of 5 basis points - both considered exceedingly

Credit Suisse First Boston officials noted that floating rate notes Lourho. of Ireland, deemed to be of similar

INTERNATIONAL CREDIT

credit standing to Portugal, trade to yield I basis point over Libor. The private placement of \$400 million of perpetual subordinated available stock of such securities is capital notes for Banque Nationale de Paris is being repackaged and Over the past three years, \$42 sold to Japanese investors as 15billion of such notes have been year floating rate ootes. Interest is called for early redemption; in the set at 85 basis points over Libor for first nine months of this year, anther first five years, rising to 1 percentage point in the next five years and 110 basis points in the final

five years.
This gives an average cost over Libor during the 15 years of 98.3 basis points, a slight saving over the 105 basis points paid last month by Credit Lyonnais to raise \$350 mil-

Three facilities to purchase aircraft are currently being syndicated in the credit market. UAL Corp., parent of United Airlines, has appointed National Westminster and Mitsubishi Trust to arrange a \$1 billion, to-year loan carrying interest of 1 percentage point over Li-

Gulf Air named Chase Manhattan to organize a \$220 million, 12year credit to finance the purchase of four Boeing 767s. Interest on this loan is reported to be 50 basis points over Libor for the first eight the commercial paper market at years and 60 hasis points there-

> Braathens, a private Norwegian airline, appointed Manufacturers Hanover Trust to arrange a \$260 million loan to finance the purchase of 15 Boeing 737s. The credit will be available to be drawn over a three-year period and then be-

Interest is set at 55 basis points over Libor during the first five trading to yield 30 basis points be-low Libor, Portugal's lead manag-cr, Credit Suisse First Boston, be-points in the final period. During

Fear of Fed Tightening **Cinches Price Decline**

NEW YORK - A general perception that the Federal Reserve Board is slowly restricting the availability of credit and growing fears of a possible discount rate increase helped push the bond market lower on the week.

The price of the Treasury's 9%

percent bond that matures in 2018 ell during the week, closing Thursday at 100 27/32 from 102 6/32 the previous Friday. Its yield rose to 9.04 percent from 8.91 percent. U.S. credit markets were closed was the situation in all sectors of

U.S. CREDIT MARKETS

Friday for the Veterans Day holi-

The price of the government's latest 10-year notes fell to 99 16/32 for a yield of 8.95 percent, compared with a price of 102 19-32 and an 8.84 percent yield the week before.

In the mortgage sector, Govern-ment National Mortgage Associa-tion issues declined about ¼ point on the week.

Among corporates, about \$1 bil-lion in high-yield, or junk, bonds were issued. But no new investment-grade fixed-rate debt came to

Short-term rates rose 10 to 30 basis points for the week. The spread between two- and 10-year notes narrowed to 33 basis points, its smallest level since early 1984 said Peter Niculescu, a vice president of Salomon Brothers Inc.'s bond market research group.

The federal funds rate - the interest charged on overnight loans between banks - ended with bittle change at about 8 5/16 percent, up from 8 3/16 percent.

Fears of higher interest rates re-surfaced last week after the Labor Department released a stronger than expected employment report. It showed a 323,000 rise in nonpayroll jobs in October and a drop in unemployment to 5.3 percent.

Another Labor Department re-port, issoed Thursday, showed wholesale prices were unchanged in October following a 0.4 percent rise in September. The October result was the slowest rate of wholesale inflation since a 0.2 percent decline

But economists said the wholesale price report did not mean inflationary pressures have disap-peared, and securities market participants said they would oot be

U.S. Treasuries

Close WK-cpo 3.id Ask Yleid yield 99 Waz 99 1022 8.62 8.66 99 Waz 99 1022 8.69 8.50 100 100 102 8.73 8.54 100 202 100 702 8.78 8.59 98 2022 98 2522 8.87 8.72 99 1022 99 1022 8.95 8.84 | Motherny | Asia | Asia | Trees | Yeeps | 20.09:90 | 99 to/20 | 99 to/20 | 8.62 | 8.66 | 15.05:91 | 99 to/20 | 99 to/20 | 8.69 | 8.50 | 30.09:92 | 1000 | 100 | 102 | 8.73 | 8.54 | 15.02:93 | 1000 | 202 | 8.78 | 8.59 | 15.01:95 | 98 20/20 | 98 25/20 | 8.87 | 8.72 | 15.08:98 | 99 to/20 | 99 to/20 | 8.95 | 8.84 | 15.02:08 | 10.02:07 | 1000 | 20/20 | 9.04 | 8.91 |

1	U.S. Consumer I	Rates
ı		Nos. 11
ı	Tax Exempt Bonds	
ı	Bond Buyer 28-Bond Index	7.41%
	Money Market Funds	
ı	Denoghue's 7-Day Average	7.85 %
Ħ	Book Money Market Accesses	
ı	Benk Rule Monitor Index	4.08 %
1	Home Mortgage, FHLB everage	10.57 %
ı	Source : New York Times.	

mai Herald Tribuna thin by market participants.

As the first member of the Orga-

other \$8 billion has been repaid

state-guaranteed issuers finding lower-cost sources of money from either the fast developing Euro-commercial paper market, or as the result of swaps from fixedcoupon issues into floating paper at costs substantially below the Lon-

The European Commission, for example, last week issued 350 million European currency units (\$415 million) of Eurobonds that will replace a floating rate oote issue of the same amount launched in 1986, paying interest of 31/2 basis points over Libor.

where the increasingly rare French

lieves the country can raise money at a cost of 6 basis points over oy will pay a facility fee of 12% hasis points and a drawing charge of 421/2 basis points.

In the takeover market, Midland Bank is reported to be organizing a loan of £1.2 billion to finance Bond Corp.'s effort to gain control of

Safim, the credit arm of the Italian state-owned holding company Efim, is seeking a \$150 million. five-year loan that has captured the attention of many market participants. That is because the lead manager, Manufacturers Hanover Trust, is marketing the credit with interest set at 15 basis points over Libor for the first three years and 171/2 basis points over Libor there-

The terms contrast rather sharply with a loan just arranged by Citicorp for Agusta, another com-pany in the Efim group, bearing interest of 20 hasis points over Libor for seven years. Agusta, an aerospace firm, is 98 percent owned

Officials at Manufacturers Hanover stress that under Italian law, Efim is legally liable for the debts of subsidiaries that are 100 percent owned, such as Safirn, and that this justifies the lower pricing than that paid by Agusta — a view not shared by all participants. Safim, which had been expected

to come to the market for \$200 million, will pay a commitment fee of 7 basis points if less than half the loan is drawn and 5 basis points if more than half is used. Front-end fees of 15 basis points are offered to hanks underwriting \$15 million.

Storebrand Finance, Norway's second largest financial company, named Merrill Lynch to arrange a \$100 million loan. Interest is set at 27½ hasis points over Libor but rises 24 basis points if more than one-third is drawn and rises 71/2 basis points if more than two-thirds is drawn.

Dymo Industrier, also of Norway, appointed County NatWest to organize a \$100 million, sevenyear standby facility. The facility fee is 84 basis points on the available portioo (at least \$75 million) and 64 hasis points on the amount designated unavailable (oo more than \$25 million).

The drawing charge is set at 12½ basis points over Libor during the first four years and 15 basis points thereafter. If more than half the loan is drawn, there will be an additional fee of 5 basis points.

Crédit Commercial de France is arranging a loan of 100 million European currency units for Istituto surprised to see the Fed raise its Bancario San Paolo di Torino. Half discount rate, the interest charged the amount is available to drawn on loans to hanking institutions, before long. The discount rate cur-rently stands at 6.5 percent. immediately and the other half over seven months.

The commitment fee is 10 basis "Inflation is on the move," said points and the interest charge is 15 H. Erich Heinemann, chief economist at Ladenburg, Thalmann & Co. "As a result, the Fed is slowly basis points over Libor for the first three years and then 20 basis

Saudi Riyal Rates Stabilize

MANAMA, Bahrain — Saudi Arabian riyal deposit rates were steady Sunday as the market settled after a burst of hectic trading prompted by an official statement ruling out a devaluation of the kingdom's currency.

The Saudi press agency issued a statement Saturday saying the government had no intention of devaluing the riyal, now pegged at .75 to the dollar.

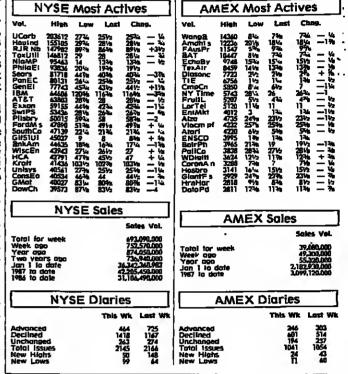
Dealers said trading was light on Sunday, when many offshore

players were absent. But they said they expected another surge of activity on Monday as banks cootinued to unwind loog dollar positions in response to the announcement, which ended two weeks of heavy speculation

Traders had previously borrowed dollars on the forward market amid speculation that Saudi Arabia might devalue the rival to boost

the value of its oil sales and help plug a persistent hudget deficit.
On Sunday, one- to three-mooth deposits were indicated at Saturday's closing levels of 9.25 percent, while six-month to one-year rates were steady at 9.125 percent. Rates had moved as high as 10

Wall Street Review



National Westminster Finance B.V. (Incorporated in The Netherlands with limited liability) U.S. \$500,000,000 Junior Guaranteed FRNs Guaranteed on a junior subordinated basis as to payment of principal and interest by

National Westminster Bank PLC (Incorporated in England with fimited liability) Notice is hereby given that the Rate of Interest has been fixed at 9,25% and that the interest payable on the

relevant Interest Payment Date, May 15, 1989, against Coupon № 10 in respect of U.S. \$25,000 nominal of the Notes will be U.S. \$1,169.10 and in respect of U.S. \$5,000 nominal of the Notes will be U.S. \$233.82.

November 14, 1988, London By: Citibank, N.A. (CSSI Dept.),

Agent Bonk

THE RO-MIX FORMULA GIVES YOU THE PERFECTLY BALANCED INVESTMENT

(No wonder its performance is so steady.)

The Robeco Group has always believed in spreading investments across world markets.

That's why we offer international investors a range of top-performing investment companies in the shape of Robeco. Rolinco, Rorento, and Rodamco. Each of these concentrates on different types of international investments and responds differently to market factors.

thereby creating a variety of investment opportunities. But how do you make the best use of these companies to cover all your investment possibilities?

The Robeco Group now has the perfect solution. The Ro-mix Account. which automatically allocates your investment

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17% of your investment will automatically be placed in Robeco, which concentrates on international blue-chip companies with a proven record of profitability.

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A solid 33% will be placed with Rorento. which specialises in getting maximum investment growth from international government bonds and other fixed interest instruments.

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ECONOMY: A Slower Road Ahead, But Will It End in a Recession?

U.S. economy, as measured by gross national product, is growing more slowly. The annual growth rate has declined from 5 percent last year to between 3 and 4 percent so far in 1988.

Some recent government statis-tics, including those that measure retail sales, employment growth and home construction, are showing signs of weakness.

What is more, economists predict - almost unanimously - that the economy will slow to a growth rate of 2 to 3 percent in 1989. Their views show up in numerous polls. Many of the economists also foresee a recession, starting in 1989

The economists offer three possible scenarios of what slower eco-nomic growth might finally produce. The outcome of one scenario is a stable economy, but the two

others culminate in recession.
GOLDILOCKS ECONOMY: during periods of stable economic The "Goldilocks" scenario, as Mr. growth.

THE FED'S RECESSION:

THE FED'S RECESSION: Berner of Salomon Brothers calls it, would have GNP slowing in 1989 to an annual growth rate of 2 to 2.5 percent, then maintaining this level into the 1990s. This rate is considered by many to he the maximum that the United States can sustain without inflation.

But sustaining a steady growth rate of 2 to 2.5 percent requires just the right level of domestic consumption and overseas demand for American exports.

The consensus view of most economists is that a Goldilocks economy cannot survive beyond 1990. A major reason is that the

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ESCORTS & GUIDES

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

U.S. economy might lack the flexi- But the higher rates might cause another consultant, shares this bility to grow by more than 2.5 consumption to drop much more percent a year without a significant sharply than the Fed would expect, rise in the inflation rate, some and the economy might stop groweconomists say.

Alan Greenspan, chairman of

might result from this squeeze.

ing altogether.
"I know exactly what is going to the Federal Reserve Board, is cause the next recession — when panies to reduce production, among the economists warning of there is one — and it is going to say the shortages and inflation that on its bottom, 'Made in Washing- oon rate would fall from its contract of the process, the annual on its bottom, 'Made in Washing- oon rate would fall from its contract of the process of ton.

Nevertheless, for those investors Nobel laureate in economics, refer-rates would also decline. who believe that a Goldilocks econ-ring to the Fed. Nearly every recesomy is possible, stocks and bonds sion since World War II has been might be a good investment be-caused by the Fed pushing up in-terest rates.

'I know exactly what is going to cause the next recession — when there is one — and it is going to say on its bottom, "Made in Washington."

Paul A. Samuelson, economist.

Many economists predict that the next recession, when it comes, will be a result of Fed action taken to prevent an inflationary upsurge that would result if the economy were to expand at a 3 percent annual rate or more.

Fearing shortages and price in-creases because of insufficient factory capacity and too few workers. the Fed would force up interest rates. Its goal would be to discourage the borrowing that is necessary

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For those expecting a Fed-induced recession next year or in 1990, one often-mentioned investment strategy is to keep savings temporarily in money market ac-counts or in short-term Treasury bills. Then, when rates seem to have peaked, the idea is to switch to

bonds to lock in the peak rates.
NATURAL RECESSION: A few economists, however, are saying that domestic consumption and exports are already in the process of collapsing on their own, without any action by the Fed. "Evidence of deterioration in the

to sustain consumption, thus foreeconomy is piling up," said Eliot to diversify one's savings, and to
ing the economy to slow to the
Janeway, an economic consultant,
include in the diversification some
desired growth level of 2.5 percent.
in a newsletter. A. Gary Shilling,
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Amsterdam

If they are right, then a recession could develop without any action by the Fed. It would come because the weak demand would force com-

for the week to finish at 272.8. In the process, the annual infla-con rate would fall from its current Volume rose to 6.413 billion guil-ders from 6.508 billion the previous said Paul A. Samuelson, the 4 to 5 percent range and interest Tuesday's gains were in anticipation of a victory for George Bush in the U.S. presidential elections, but

For those who believe that this process is already under way, the standard investment reaction is to the mood did not last. A weak dol-buy long-term bonds. The idea is to lar and lower Wall Street were lock in the present, peak rates beagain the main worries. fore they fall.

Another standard reaction is to said it saw no reason to change its pay off debt, out of fear of losing very cautious view of the market. one's job in a recession and then not being able to maintain loan Frankfurt payments. But so far, there is not much evidence of this reaction.

"When people cut back on their borrowing, they do so because of income uncertainty, of which there almost none right now," said Albert T. Sommers, a senior economist at the Conference Board, a business organizacion. Mr. Samuelson is also reluctant

to run for cover. "Everyone is shopping like mad for signs of economic weakness, and they do not treat even-handedly signs of strength." But even if a recession were to occur, Mr. Samuelson said that he

would not alter his basic investment strategy — the one he recom-mends for the National Academy of Sciences as a member of its finance committee. That strategy is

In the electrical sector, AEG dipped by 4.50 to 190 and Siemens 13.40 to 468.80. 13.40 to 468.80.
Department stores were irregular, Horten rising 3 to 213, but Karstadt plunging by 33 to 415.
Banks moved lower: Dresdner down 3.70 to 292.50, Commerzbank 7.80 to 236.70, and Deutsche 15.20.50.20 16.30 to 509.20. Volume on the eight West German exchanges totaled 14.14 billion DM, against 14.86 billion the

previous week. Hong Kong
Prices finished the week virtually unchanged, with both indexes fluctuating less than one point. The key Hang Seng Index shed 0.67 points to end the week at 2,583,74. It had dropped 29.96 points the previous week. The broader based Hong Kong Index picked up 0.56 points over the week to close at 1,702,79. It had dropped 19.70 points the week before.

New Out New AM R 45 AM

The market began on a dull note, but bargain-hunting lifted prices

CBS general index lost 10.4 points Street, was followed by a recovery Friday.

WORLD STOCKS IN REVIEW / Via Agence France-Presse

London

Trading was nervous and uncer-tain, dominated by the U.S. presi-

On Friday, the dollar's sharp drop depressed the market, which was already in a somber mood be-

cause of a shortage of investors.

The Commerzbank index fin-

ished the week at .1,566.2, down

44.3. Auto stocks were hit hard, with BMW dropping 20.50 DM to 517, Daimler-Benz 25 to 733, and

Velkswagen 8.10 to 302. Among chemicals, Hoechst finished at

288.50, down 7, Bayer lost 10 to 289.50, and BASF shed 10.30 to

In pharmacenticals, Schering bucked the trend, adding 2 DM on

dential election.

close at 268.20.

the week to 570.20.

Stocks fluctuated irregularly downward thring the week, falling The Kempen & Co. brokerage for the third week in succession. The Financial Times industrial index closed at 1,461.2, off 24.4 points.

Gold mines gained ground over the week, while government bonds weakened.

The week was dominated by the U.S. presidential election. Investors awaiting results remained pru-dent, while the market had already chosen its candidate, Mr. Bush. With polls in his favor, the market managed to rise Tuesday.

However, Mr. Bush's election brought a sharp fall in values Wednesday morning. The massive trade and budget deficits he will have to tackle caused worry on the market, and the falling dollar veighed on the trend.

Elsewhere, publication of the Bank of England's quarterly state-ment advising restrictive monetary policies and guarding against infla-tion caused an already hesitant market to become depressed.

On the takeover front, conglomerate Lonrho's shares were erratic, while the market speculated about intentions of the Australian businessman Alan Bond, who holds a 20 percent stake in Lonrho. In the brewery section, Scottish

and Newcastle's shares fell after referral of the Elders Group's hos-tile takeover hid to the Monopolies and Mergers Commission.

Elders reacted by buying Scottish and Newcastle shares in the hour following the referral to take its stake from 14 per cent to 24. The Department of Trade and Industry requested that Elders stop buying

Lloyds Bank fell on speculation that its link with Abbey Life would be blocked by Abbey shareholders. Consolidated Gold Fields made progress when Minorco announced i. would keep its 29.9 percent stake

The market was depressed last Tuesday. However, profit-taking, week, with prices under pressure on Wednesday erased all the gains. the week; the Comit index finished every day but Tuesday. The ANP- A fall Thursday, in line with Wall at 591.68, compared with 588.21 a

week carrier. Operators said the mood was un-Average daily turnover shrank to certain. A daily average of 47 mil-526.4 million Hong Kong dollars lion shares changed hands, against from the previous week's 712 mil-45 million the previous week.

Ferrizzi Agricola jumped by 7.93 percent, while Ferrin managed a 1.24 percent gain and Monte-dison was off 0.58 percent.

Fiat lost 0.58 percent and CIR 0.45, while Pirelli tacked on 0.80 percent. Olivetti was down 2.31 percent and Generali up 2.27 per-

In the banking sector, Mediobanca was up 0.73 percent on the week, Comit 5.72 percent, Credito Italiano 2.40, and Banco di Roma 0.84 percent.

Bourse prices fluctuated narrowly in a week shortened by the Nov. 11-holiday. The CAC index fin-ished at 395.6 on Thursday, against

397.1 the previous Friday. Prices were held back by Wall Street's poor performance, despite the election of Mr. Bush. Paris analysts said there was concern about the new administration's ability to come to grips with the continuing huge U.S. trade and budget defi-cits. The dollar's weakness also

Continuing labor agitation in the French public sector also inhibited activity, analysts said.

Singapore

Share prices fell in dull trading on a weaker U.S. dollar and poor performances of overseas markets. The Straits Times Industrial Index lost 13.45 points to end the week at 1.015.03. The key market barometer had fallen 6.53 points the previous week. Trading was shortened to four days because of a

holiday Tuesday.

After the holiday and the U.S. election, prices rose marginally, but sentiment was not sustained and earlier gains were crased.

Volume for the week was 60.9 illion shares, down from 75.9 milhon the week before.

Tokyo

Share prices soured, the key Nik-kei average finishing at an all-time high on Friday.

Option & price Calls

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The average of 225 selected issues gained 323.15 yen on Briday to close the week at 28,489.57, top-6 ping the previous record of 28,473 38 years at 68 Aug. 5 For the

28,423.38 yen set on Aug. 5. For the week, the Nikkei was up 442.83 The market was closed Saturday

for a business recess.

Daily volume averaged 1.027 billion shares, down from the previous week's 1.35 billion.

Zurich

Prices dropped for the week amid market surprise at the extent of the dollar's drop despite the cloction of Mr. Bush to the U.S. presi-

The Credit Suisse index finished the week at 487.6, against 499.6 the previous Friday, while the Swiss Bank Corp. indicator ended at 546.3 against 559.1. Volume was

Euromarts At a Glance

U.S. 5, int'l inst, 8 yrs & over public issuers, 8 yrs & over other issuers, 5 yrs & over other issuers, 6 957 yrs Peach strutes, 4 957 yrs Peach strutes, jess then 9 yrs ECU, 8 yrs & over 9 857 yrs

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Platinum Bulls Bet on Coins

N SEPT. 28, at the Waldorf Astoria Hotel in New York, an unusual amouncement was made. At a seminar for industry professionals; Johnson Matthey, one of the world's largest refiners of precious metals, stuck its neck out and predicted a five-year platinum shortage.

A major source for supply and demand data, the firm previously limited itself to one-year forecasts. And the market's response was almost immediate. The price of platinum, which had steadily fallen to \$485 an ounce last September from a high of \$640 in May, rose \$9. It now trades at close to \$580 an ounce. The reason for Johnson Matthey's prediction had little to do with a surge in industrial demand or a sharp drop in mine output, the traditional explanations for market imbalances. Instead, the forecast relies heavily on the assumption that sales of the

relies heavily on the assumption that sales of the metal to investors will increase substantially, thanks to the introduction of platinum coins.

In mid-September the Australian Koala went on sale and later this month Canada will introduce a platinum Maple Leaf. These are the first platinum coins sponsored by major natural resource powers



O BE SURE, Johnson Matthey is involved in the promotion and distribution of the coins. But if sales of the Koala are an indication of how investors will greet the Maple Leaf, the company's

confidence in the coins is not unfounded. Stephen Gottwald, GoldCorp Australia's North American general manager, says Koalas are selling 150 percent better than expected. At the current rate of consumption, coin promoters say investor demand will double to about 400,000 ounces within the next 12 months

Before the success of the Koala, analysts were expecting a platinum glut, as new South African mines came on stream. Now, most agree that continued sales of the coins are the only hope the platinum industry has for averting sagging prices and an over-supply. "The debate in the platinum industry is how long investor interest can last," says Rhona O'Con-nell, a precious metals analyst at Shearson Lehman Hutton in London.

Indeed, some analysts believe too much is being made of investor participation in the market. "Plati-num is not like gold," argues Jeffrey Christian, man-aging director of CPM Group, an international precious metals research and consulting firm. "It behaves more like a commodity. And traditional buyers, trading companies and industrial users, will abandon the market at the first bump, killing off shaky, small investor demand."

N FACT, Mr. Christian believes there is a surplus of platinum. Recycled platinum and stocks that were warehoused in the event of economic turmoil in South Africa will produce a record over-supply of 450,000 ounces in 1988, he says. "That will reverse any temporary shortage."

Moreover, although Mr. Christian believes prices may advance just beyond \$600, he believes the upswing will be short-lived and that prices will descend to a more realistic level of around \$540 per ounce by February. As the surplus increases in following months, he sees prices declining even further.

Bruce Kaplan, president of A-Mark Precious Met-als, a distributor for both the Koala and the Maple Leaf, contends that those who doubt the staying power of platinum do not understand the retail coin

Although platinum displays the same kind of erratic price swings as other commodities and frequently falls below the price of gold, despite its greater rarity, it has a history of outperforming gold in times of high inflation. According to Mr. Kaplan, now that the Koala and Maple Leaf are making platinum widely available to small investors, it will be bought as long-term protection against inflation. as long-term protection against inflation.

"The advent of the small investor salting these coins away regardless of fundamentals is and will continue to drive the platinum market," declares Mr.

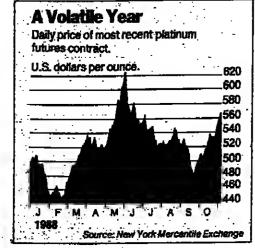
Not surprisingly, the viewpoints expressed by most analysts fall somewhere between Mr. Christian's skepticism and Mr. Kaplan's optimism. "The marketers are facing heavy odds, but that's not to say they'll lose," says Ms. O'Connell of Shearson Lehman Hutton.

ARLIER in the year, Ms. O'Connell predicted a 244,000-ounce surplus for 1988. She revised her supply and demand predictions as a result of the Koala's initial success and what she says was "a slight overestimate of South African plannum production." She now expects coin sales and the lemment has a specified South African content to and the lower-than-expected South African output to result in a virtual balance between supply and demand for the next 18 months.

"The bottom line," says Ms. O'Connell, "is that for platinum to really establish itself as a long-term investor's metal we need a thumping good market for the next 18 months."

If that happens, a new plateau of constant investor demand could be reached, and "rather than having a glut and simping prices, we should have a hell of a good market for the next 10 years," says Ms. O'Conneil, who believes platinum will climb to \$600 per ounce by the end of the year.

David Lanchner



Coping With the Escalating Costs of Investing

U.K. investors turn to a new breed of discount brokers.

By Marybeth Nibley

RIVATE investors in Britain must wonder sometimes if becoming a member of the share-owning public is worth the price of admission. Despite the government's promotion of stock ownership through incentives and privatizations, individuals are having a tougher time

buying stocks. The reason: costs.

First came Big Bang, the deregulation of London's stock market in October 1986. Before Big Bang, private clients were subsidized by the fixed commissions paid by institutional investors. With the elimination of fixed charges, brokers pared fees to the bone to attract lucrative institutional business. But dealing costs to individuals rose.

Then came the Financial Services Act in 1988. The

new law has meant a significant increase in overhead for the securities industry, Brokers complain that new regulations have increased their record-keeping reirements enormously and forced them to devote costly staff time to compliance.

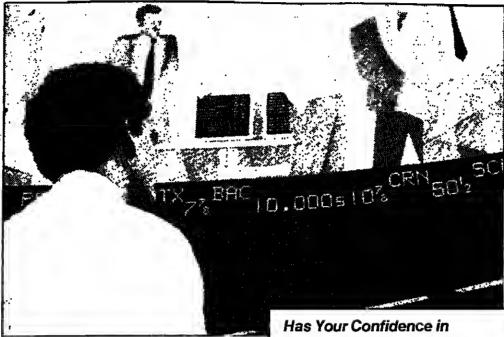
As a result, big brokerages are taking a critical look at their operations. A few, like Phillips & Drew, dropped out of the private client business altogether to focus on more profitable financial services. Others decided to serve only wealthy private customers.

Indeed, many brokerages are turning away from executing trades for individuals, preferring the econo-mies of discretionary money management. Mercury Rowan Mullens Ltd., for example, requires a mini-mum investment of £50,000 (about \$90,000) for an actively managed portfolio. The firm charges a fee of £500 or 1 percent of the assets under management,

For amounts starting from £250,000, Mercury will tailor a portfolio to a client's needs. The fee is £2,500, or 1 percent of the assets. As for trades, Mercury charges a 1.65-percent commission on the first £10,000. As the volume rises, the commission declines.

Still, there are brokerage services who cater to the less affluent. For individuals who feel confident about making their own investment decisions, some of the big London-based investment houses and some of the regional brokers offer execution-only services or dealing services with a just a few frills. Also, cost-conscious investors can use telephone dealing services, but the choices are limited.

Mark Collier, director and general manager of Fidelity Portfolio Services Ltd., says their Share Service launched in June is a low-cost alternative for



A customer watches stock prices on an electronic display at a Fidelity office in midtown Manhattan.

experienced investors who watch the markets closely. "Basically we're pretty pleased with the response, considering the dull markets," he says. "We see enor-

Fidelity has a minimum commission of £25, an amount within the range charged by competing services. Moreover, a fixed charge of £50 on deals worth between £3,900 and £20,000 makes Fidelity's one of the least expensive ways to execute moderate trades.

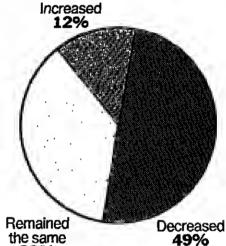
To hold down costs, the service is operated on a nominee basis. Clients' stock certificates are registered in the name of a nominee company, removing the need for forms to be sent back and forth between the customer and the company. And to discourage inactive investors, Fidelity levies a £20 administrative charge on any account that records less than three

Among the telephone dealing services, Sharelink is the oldest and largest. Established in the spring of 1987, it now has more than 20,000 clients. Sharelink charges a 1.25 percent commission on transactions worth between £1,200 and £2,000 and 0.75 percent for

Continued on Page 14

The Market Increased or Decreased Since the Crash?

Here is how 2,400 individual investors responded to that question in a survey done by Charles Schwab in September.



the same 39%

stiffer fees and less personal service.

U.S. investors face

By Cynthia Catterson

TUNG BY A 35 percent drop in retail trading activity since last year's crash, U.S. brokerages want the individual investor back but not at any price.

That will be clear to investors who call their broker these days. They encounter a substantially leaner service industry geared to wringing more profit out of a narrower retail customer base. At some brokerages, particularly the discounters, that translates into higher trading commissions. It also means stiffer fees on special products and less personal service for all but the biggest customers.

Of course, fee boosts by themselves are hardly unusual. Most brokerages revise their commission schedules every few years to keep up with inflation and higher overhead, and recent increases are far from staggering in percentage terms. The big difference now is that brokerages are trying to pass along higher costs to a clientele still traumatized by last year's crash. Brokerages risk giving individual investors just one more excuse to avoid the markets.

"The hig question these days is when are the small investors going to come back to the market," remarks Larry W. Carroll, president of Carroll Financial Advisors, a financial planning firm in Charlotte, North Carolina, "On a percentage basis, the newer rates won't really affect investors to a great degree. But psychologically, the higher fees are a deterrent from trading in the market."

But the issue goes beyond fees. More than ever, the industry has carefully tailored the level of service to how much business the client does. Just as the securities industry has re-evaluated its relationship with the client, so should investors take a harder look at whether fee structures and service levels answer their

Customers who trade infrequently will find themselves increasingly shunted off to service represent tives rather than professional brokers. "Instead of giving each client a personal broker, brokerages are staffing their retail offices with customer-service-oriented people," notes James B. Cloonan, president of the American Association of Individual Investors,

"The new staff is likely to be younger and trained to just answers calls and questions," he says. Seasoned professionals who make client calls with investment advice are steered instead toward the larg-

Continued on Page 14

BONDS

The Coming Test For Junk Bonds

The market braces for a surge of new issues.

By Michael D. McNickle

ANAGERS of funds that specialize in junk bonds
— those below-investment-grade securities that pay above-average yields - are wrap-

ping up a sterling year.

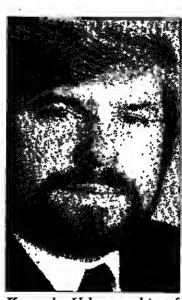
High-yield bond funds tracked by
CDA Investment Technologies of
Rockville, Maryland, rolled up an average total return in the first 10 months erage total return in the first 10 months of about 12 percent, outdistancing the 7.8-percent return generated by funds that concentrate on U.S. Treasury and agency securities. Helped by such strong performance, the funds pulled in about \$3.9 billion in net sales in the first three quarters, reports the Investment Company Institute, bringing their total assets to over \$33 billion.

But in the months ahead, the junk bond market faces a test. It may be called on to digest billions of dollars of new issues that are expected to finance such mega-takeovers as RJR Nabisco, Kraft and Pillsbury.

Several of the proposed takeovers are still in the bidding stage, so the size and timing of the resulting bond issues remain uncertain. But the proposed takeovers could produce a feast of new issues in the final weeks of the year perhaps totaling as much as \$10 bil-lion, says John Lonski, senior economist at Moody's Investors Service. That amount is on top of the \$6 billion of new issues already on tap for No-

For the moment, junk bond special-ists say the marker's appetite seems up to the challenge. They note that new issues are running 20 percent off their 1987 pace. If all the deals anticipated were to come to market, 1988's total new issues would exceed 1987's \$35 billion by only \$1.7 billion.

Even the likely buyout of RJR, which alone may generate a junk bond issue of \$3 to \$5 billion, could be absorbed, says Kenneth Urbaszewski, co-manager of the \$1.1-billion Kemper High Yield Fund. But be acknowledges that such a large issue could "be an interesting test" of the market's capacity. Currently, be is building up his holdings of high-yielding securities,



Kenneth Urbaszewski, of Kemper High-Yield Fund.

though cash still accounts for between 20 and 25 percent of his portfolio. Beyond the supply issue, another question hanging over the market is whether Washington curtails the boom in leveraged buyouts through taxes or some other measures. But Mr. Urbanewski says such a move could have the perverse effect of driving up junk bond

priverse effect of driving hp junk bond prices by restricting future supply.

"It would be a big plus for the high yield market," he says.

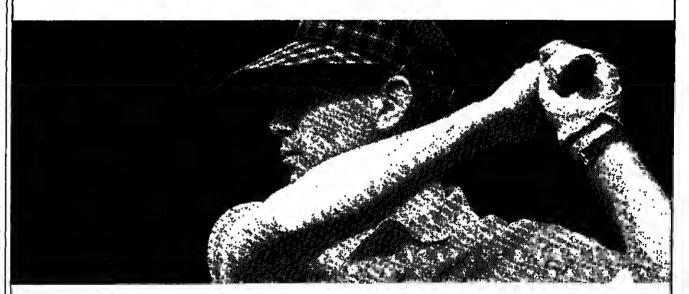
In the longer view, the worry for investors in junk bonds is not supply, but what happens when the next recession hits. The issue goes to the heart of the risks involved in issues associated with highly leveraged takeovers. Most of these deals make two crucial

assumptions. The first is that much of the debt incurred by the surviving company will be paid off through the sale of assets. The second is that the company's cash flow will remain strong enough to meet the payments on a substantially increased debt bur-

Signs of a weakening economy could seriously undermine both assumptions, and some followers of the highyield bond market admit it is hard to say what impact the next recession will have. Junk bond advocates have always argued that the powerful effect of compounding interest from securities yielding as much as 5 percentage points over Treasury bond yields more than offsets the effects of the occasional default. In this view, junk bonds can still consistently outperform Treasury

Continued on Page 15

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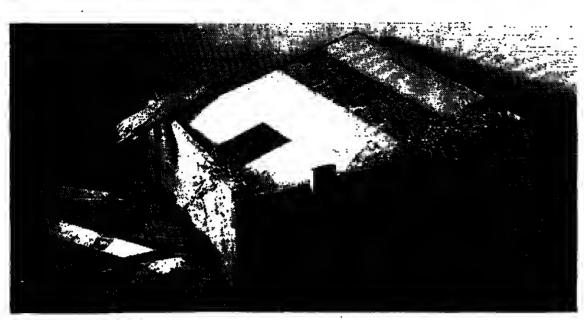
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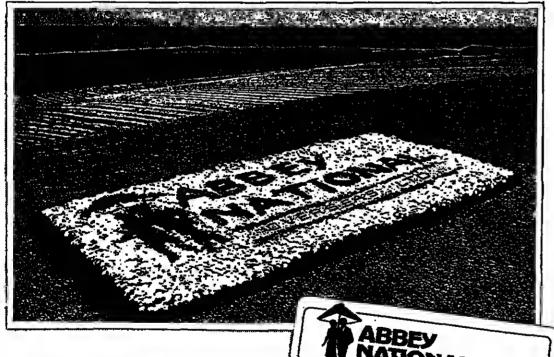
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THE TRADER

Investing: The Price Goes Up

Continued From Page 13

er accounts that represent higher commissions. At some brokerages, the internal pay incentives have been changed to reinforce this trend. At Kidder Peabody, a trade must generate at least \$50 in commissions before the broker gets a share of the take. That is up from a minimum of \$35 last year. At Prodential Bache, the minimum amount was raised to

\$60 from \$50 last year.

Much like retail banks, which lowered transaction costs by encouraging the use of automatic teller machines, brokerages are try-Discounter Charles Schwab & Co. outs 10 percent off its posted commis phone service to obtain price quotes and to place orders, rather than engaging a Schwah

Such changes are just a few ways that bro-kerages, which have been through rending employment cutbacks, hope to build up a seriously depleted bottom line. A recent Secuhome the crunch. It showed the profitability of U.S. securities firms fell 50 percent in the second one rise from the firms. second quarter from the first quarter, whether

From the investor's perspective, one crucial trend is the narrowing of differences between

The discounter's edge begins to widen with bigger trades.

charges of full service brokerages and those of the discounters. Schwab's new fee structure increased commissions an average 10 percent. while Fidelity Brokerage Service's new price structure raised fees an average 12 percent. On many smaller transactions, that just about erased the discounters fee advantage.

Depending on the brokerage, commissions are typically based on formulas that combine factors such as the total dollar amount of the trade and the number of shares purchased Commissions on smaller trades take a larger percent of the overall transaction than a large order because a broker incurs fixed costs to process the trade, regardless of its size. Schwab's comr ons reflect a formula

that combines a fixed rate for each of six categories based on the trade's dollar value plus a percentage of the actual amount. For example, any trade with a value of between \$1 and \$2,500 carries a base commission of \$26. Then 1.6 percent of the actual amount traded is added to the base fee.

A trade of 100 shares of stock at \$10 shows how charges for these smaller transactions have converged at discount and full service brokerages. At Schwab, this trade would incur a flat fee of \$26 plus 1.6 percent of \$1,000, or would cost about \$41.75.

The same trade could be made by Paine Webber for \$41, actually less than the Sokwab charge. Merrill Lynch, another full service broker, would charge \$50. This narrowing of differences just reflects the industry's general unwillingness to compete for the low-value

For trades of very small value, or for those under 100 shares, called odd lots, discount brokens often charge far more than a full service firm. Trading 10 shares of a \$10 stock at Schwah, for example, costs \$39, or 39 percent of the trade's value, versus a charge of \$17 at Paine Webber. But both fees are still

Comparing 4 U.S. Brokers

No minin	num commission		Percent of
•	No. shares	Commission	trade value
	100	\$50.00	5.0%
\$10 Stock	300	\$115.50	3.9%
	1,000	\$252.00	2.5%_
	100	\$85,50	2.9%
\$30	300 -	\$194.50	2.2%
Stock	1,000	\$460.00	1.5%
	100	\$97.00	1.9%
\$50	300	\$259.00	1.7%
Stock	1,000	\$570.00	1.1%_

		ang ang atawa sa kanananan ang ataw	
Vinimum (commission \$39		
\$10 Stock	100 300 1,000	\$42.00 \$69.00 \$99.00	4.2% 2.3% 1.0%
\$30 Stock	100 300 1,000	\$49.00 \$96.00 \$151.00	1.6% 1.1% 0.5%
\$50 Štock	100 300 1,000	\$49.00 \$114.00 \$191.00	1.0% 0.8% 0.4%

	100	\$41.75	4.2%
\$10 Stock	300 1,000	\$68.75 \$98.75	2.3% 1.0%
\$30 Stock	100 300 1,000	\$48.00 \$95.75 \$150.75	1.6% 1.1% 0.5%
\$50 Stock	100 300 1,000	\$48.00 \$113.75 \$190.75	1.0% 0.8% 0.4%

Minimum	commission \$35		
\$10 Stock	100 300 1,000	\$35.00 \$39.80 \$64.00	3.5% 1.3% 0.6%
\$30 Stock	100 300 1,000	\$35.00 \$75.00 \$199.00	1.2% 0.8% 0.7%
\$50 Stock	100 300 1,000	\$48.44 \$108.67 \$149.00	1.0% 0.7% 0.3%

extremely steep, and investors should avoid these small-scale transactions.

An alternative for sellers of odd lots is to pany to see whether it suld be willing to buy the shares back directodd lots cuts down on bookkeepir

Where the discounter's edge begins to widen is with bigger trades. A trade of 300 shares of stock priced at \$30 costs about twice as much to execute at Paine Webber as it does at

But the differences among the discounters and full service brokers on these larger trades may be less in practice, especially for active

According to Mr. Carroll at Carroll Financial Advisors, active investors with \$100,000 in their account can almost certainly bargain a big discount off the posted rates from a full

scrvice broker, particularly now, when competition for trading is fierce.

"More full service brokers are giving discounts to be competitive with the discount brokers," notes Mr. Carroll. "But investors have to be set in the control of the contro

The newer rates charged by the discounters not only narrow the gap between their fees and those of the full service brokerages, they widen the distance between other so-called bare-bones discounters that typically provide execution-only services. These discounters, Quick & Reilly and Brown & Co., are confident that their no-frills service and low overhead will see them through without raising

"We can keep costs low because our customers do all their own work," said George A. Brown, president of Brown & Co. Securities Services, a Boston-based discount broker.

Of course, commission costs alone are not the only consideration when choosing a bro-lear. Traditionally, full service brokes tend to charge more than discounters because they provide research and professional advice.

"If an investor needs someone to help him generate ideas for investing, then it's worth the extra cost to use full service," says Mr. Carroll. "But if he's simply looking for trade execution, there's no reason to pay more."

U.K. Investors Turn to Discounters

trades up to £7,000. Above this level, the

ommission is 0.2 percent.

David Nugent, administrator of Pillings' Shareline, another telephone dealing service, says business is starting to pick up as custom-

ers regain confidence in the market. Pillings, a Manchester firm that specializes in private clients, took on no new Shareline lients between November 1987 and February 1988. It has acquired two to three new clients

Commissions range from 1.25 percent on the first £7,000 and 0.55 percent on trades up to £15,000. Thereafter, rates are negotiable.

Some of Britain's banks and building soci-

eties offer customers a means of buying and selling stocks and other financial instru In most cases, the service is available only to those who have accounts at the institution.

At Barclays, clients can transact investment business through Barclayshare, which in-cludes an execution-only service and an advi-sory service that provides model portfolios for individuals and a monthly market newsletter.

Operated under a nominee system, pay-ments are deducted directly from client ac-counts; dividends are also directly deposited. The minimum commission is £16.

Something called "touch screen" dealing is available to customers of National Westminster Bank. Other banks have announced plans to develop their own versions of the concept. Despite some skepticism on the part of customers, there is growing acceptance, a NatWest spokesman says. So far, the facility is available at 250 NatWest branches and there are plans to expand the network.

The key feature of touch screen dealing is

that a customer can walk into a NatWest branch and watch s computer screen while an order is executed and leave knowing the details of the deal with a contract note in hand. Currently, the service is available for trading in 100 British stocks. The minimum charge is £25. Trades below £125 are charged 20 percent of the value of the order. Commissions then decline from 1.5 percent on the first £5,000 trade to 1 percent on the next £5,000.

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BONDS

These hybrids

By David Lanchner

hit over-the-counter stocks. Buyers were

few and far between. Many issues fell to

abnormally low valuations. And yields, traditionally lower than those offered by

government and corporate bonds, rose

and in some cases exceeded returns on

other fixed-income securities.
Since then, however, a sense of normality has returned to the market, and con-

vertible bonds are again being touted as the answer to a timid investor's prayers.

After all, they offer the best of both

worlds; steady income, like conventional

bonds, and potential capital gains, like

Mutual funds that invest in convert-

ibles, the most popular choice for individ-

uals attracted to this hybrid security, aver-

aged a total return of 12.1 percent in the

first nine months of the year, according to

the performance of all other bond fund

gone — falling to around 7 percent a year from a post-crash high of about 10 percent

- and total returns have suffered, con-

vertible bonds remain a tempting invest-

ment for those uncertain about where the

"It's a chicken share, and given the

blurred outlook for the markets it's proba-

bly not a bad time to buy them," says Art Micheletti, head of fixed-income research

at Bailard. Biehl and Kaiser, a moocy-

management firm in San Mateo, Califor-

The convertibility feature allows inves-

tors to exchange the bonds for a fixed

number of the issuer's stock if its price

climbs. If the share declines, fixed returns

Although prices of convertible bonds

respond to changes in the underlying share's value, they do not move as far or as fast as the issuing company's common

stock. Convertible prices may move 50

cents for every \$1 change in the price of

the underlying stock. This is an important

feature for risk-averse investors who sus-

pect the market may be turning down-

Investors, however, must pay for these

safety features. On average, convertibles

fetch a 10 percent to 30 percent premium to the price of the underlying stock. For

stock market is headed.

cushion the fall.

Although the spectacular yields are

Lipper Analytical Services. This surpass

eategories as well as most stock funds.

HEN BLACK MONDAY

rocked the stock market,

convertible bonds suffered a

panic similar to the one that

New York

have appeal

in uncertain

times.

Percent of trade value

3.9% 2.5%

2.9% 2.2%

1.5%

1.9%

1.7%

1.1%

2.3% 1.0%

0.5%

1.0%

0.8%

0.4%

4.2%

2.3%

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Movie Posters' Glory Days

By Cynthia Catterson

OR COLLECTORS who have watched with fascination as the market for movie memorabilia has grown steadily stronger and costlier over the past year, motion picture posters may be a less pricey way to participate in

Ira Resnick, director of the Motion Picture Arts Gallery in New York, says prices for many film posters have increased steadily in the last five years. For example, posters bearing the image of Bette Davis cost about \$250 in 1980. These days, posters of the actress, depending on the importance of the film, command about \$2,000.

"Collecting movie posters is one way for people to feel like they have a part of show business history,"
Mr. Resnick says. "It's one thing to have a video of a
classic, it's another thing to have an original piece of
advertising that came directly from the studio" and

in many cases, was approved by the star. Movie posters range in price from a few dollars to a few thousand dollars. As with most collectibles, prices are determined by the vagaries of supply and demand. Further, unlike buying fine art, where the artist and his palette are key, a poster's value is gauged by the film's success, the stars who are depicted, and the overall visual appeal of the artwork.

Popular movies and celebrities are without a doubt

the most collectible. A poster with Mariene Dietrich, for example, is likely to command more than 10 times the price of a poster with similar aesthetic beauty but created to advertise a B-movie with unknown actors, notes Mr. Resnick.

Other details that come into play include a poster's size. Studios produced posters in a wide range of sizes from mini-window cards that were 8.5 (22 centimeters) by 11 inches to so-called sheets. The standard poster size is one sheet, 27 by 41 inches.

While the smaller sizes are more widely collected because they can be hang in a home, they were also mass produced for distribution. As a result, the

larger, six sheet renditions, measuring 81 by 81 inches, are usually more valuable.

Lobby cards, 11-by-14-inch displays that were made of light cardboard and were usually posted in a 'theater lobby, have gained in popularity recently,

In general, films from the 1930s and early 1940s are the most popular and most valuable because of their rarity. Although studios at that time typically produced between 5,000 and 10,000 graphic illustrations to accompany the release of a new film, many were destroyed during the paper drives of World War

Furthermore, says Mr. Resnick, few theater owners considered advertisements worth saving. "No film poster was ever given credence in its day. Even in the 1930s they were thought to be advertising materials, to be used and thrown away as soon as the next movie came to town," he says.

These are some of the reasons why a rare 6-sheet

poster for the 1942, Warner Bros. feature "Casablanea" fetched \$17,600 at a Guernsey's auction last year. It was the highest price ever paid at auction for a

movie poster.

Posters for "Gone With The Wind," "The Wizard of Oz" and "The Maltese Falcon" are also among the most sought after. Likewise, colorful boards bearing the images of such stars as Cary Grant, Errol Flynn, Bette Davis, and Greta Garbo are hot commodities.

While many posters recall films that were hits, sometimes a poster for a box-office bomb is worth more in its after-life. The 1936 RKO Radio Pictures release "Sylvia Scarlett" was the worst disaster in the company's history and possibly the biggest flop in Katharine Hepburn's career. Yet, Mr. Resnick says the magnitude of the flop is one of the reasons why even one-sheet posters for this film are worth roughly

Vivid artwork that promoted horror films from the 1930s is a genre that is also popular, particularly those touting films released by Universal Horror Pictures, Originals from "Dracula," "Frankenstein," "The Mummy" and "The Invisible Man" can go for as much as \$10,000 apiece.

Before buying any movie poster, experts advise collectors to inspect the condition of the paper, looking for signs of wear, water damage or excessive restoration. Old paper is best mounted on linen or some other material that helps control the acidity of the paper. A poster that has been dry mounted or glued to a backing could lose as much as 90 percent of its value because the glue eventually will wear to the price of the underlying stock. For through and become visible.

A Fund Sampler

Fund	Total Return Dec. 31-Oct. 28	Total Net Assets
Liberty Convertibles & Income	23.56%	\$9.6 million
Dreyfus Convertible Securities	22.85%	254.0 million
Heritage Convertibles Fund IncGrowth	18.15%	7.6 million
Fidelity Equities Inc.*	22.66%	4.1 billion
Evergreen Total Return	16.84%	1.3 billion
Invests in common slock and convertibles		Source: Morningsta

Convertibles: Just the Ticket for the Timid

the makers of Arm & Hammer Baking Soda, is convertible into 55.556 shares of common stock and yields 7.8 percent per year. The current price of the bond is \$835. a 22.7 percent premium to the current market value of the common stock.

As the price of the common stock rises, this conversion premium narrows. If the stock declines, the subsequent price drop for the convertible produces a higher yield like any other bond.

Investors shopping for convertibles gen-erally make sure that the company's shares have good prospects. They also check to see what protection there is against a call for redemption. For older convertibles with higher coupons, there may be a temptation by the issuer to refinance at at lower interest rates. Similarly, if a company's stock has risen significantly above the level it was trading at the offering, it may try to force a conversion.

Thomas Revy, managing director of Froley, Revy Investment Co., a Los Ange-les advisory firm specializing in convertibles, says investors should not buy bonds trading at more than 30 percent over par. Moreover, he says the conversion premium should oever exceed two-thirds of the value of the underlying stock. In the first

instance the yield will probably be insignificant when compared with stock dividends. And in the second instance, he says the stock is unlikely to catch up with the bond premium

Although the fact that these securities are both stocks and bonds ideally provides an escape hatch if something goes wrong in either market, Gerald Perritt, editor of The Mutual Fund Letter, notes that rising interest rates will depress both equity prices and bond prices.

A more fundamental flaw is that con-

vertibles are subordinated debt, just a step above junk bonds. "If we hit a recession, investors may dump less secure convertibles," says Mr. Perritt. He adds that the recent spate of takeovers gives the low quality of the bonds even more pertinence. A company might sell out at a price

below the premium on the convertible and, if it loads up on fresh debt to do it, may ultimately not be able to pay convertible holders. "Just the worry that a beavily leveraged company will not be able to pay can devastate a bond's market price," says Mr. Perritt. He recommends only buying higher quality issues that have provisions

to prevent this from happening.
Despite such potential drawbacks, ana-

lysts agree that convertibles are a safer way to play a company than buying equity. And even outspoken critics, like Mr. Perritt, believe that now may be a particularly opportune time to buy convertibles. The strong possibility of an up market and dropping interest rates could provide the kind of double kicker that allows these bonds to do even better than stocks," he says.

NE ISSUE that Mr. Perritt likes is from Graphics Industries, a prioting company, whose earnings have increased over 50 percent in the past two years. The bond sells at a 16 percent premium to the underlying stock and yields 7 percent annually. Mr. Perritt believes further earnings growth could push the stock 30 percent higher and the bond 20 percent higher

An issue that both Mr. Perritt and Mr. Revy like is IBM. The convertibles are selling at a 27 percent premium to the underlying stock and are yielding 7.5 per-cent annually. According to Mr. Revy, the recent restructuring at IBM will halt several years of flat earnings. "The stock price could go up as much as 37 percent, pushing the convertibles up about 25 percent."

Because of the complexities of the market, experts suggest that individuals are better off investing in convertible bond funds. But Kurt Brouwer of Brouwer & Janachowski, a San Francisco investment firm, says that investors should avoid funds that invest exclusively in convert-

"They put the portfolio manager in a strait jacket, forcing them to buy the bonds at times when it is not at all advantageous." He suggests buying balanced funds or income and growth funds that can invest in convertibles as well as in stocks, bonds and money market instru-

Junk Bond Market Faces a Test

Continued From Page 13

bonds even in difficult economic climates. Concerns about how an increase in defaults affects junk bond returns has spawned a virtual library of historical studies, yet has yielded little agreement among professionals. One problem is that the junk bond market is a fairly young phenomenon, and its structure bas changed as it has grown."This market really didn't take off until 1984," ootes Mr. Lonski, "What are you really comparing

There is more than one way to calculate default rates, but Mr. Lonski reckons that in 1982, the last year of deep recession, about 4 percent of issues of "straight" junk bonds - those not convertible into equity - ran aground. But in those days the total junk bond market was only about \$18.5 billion. Forecast of default rates in the next recession range from 5 percent to 10

Even those high rates would not necessarily spell grave problems for portfobos of high-yield securities, says Mr. Lonski. "If the fund is really well diversified, you could withstand a 5 to 10 percent default rate and still come out quite nicely," he says, assuming the recession was not much more severe than 1982's version.

The key word is diversification, says Phillip Maffei, a founder of McCarthy, Crisanti and Maffei who was recently crowned the "King of Junk Research" by Institutional Investor magazine. That is why individuals should stick to funds, he

"The reasons are obvious: diversification, the professional management, and the research," he says. "If yon play just one bond and you're wrong, you lose a substantial amount."

Mr. Urbaszewski has spread his boldings among about 20 issues and says he puts issues through a "stress test" to judge how they would do in the event of a

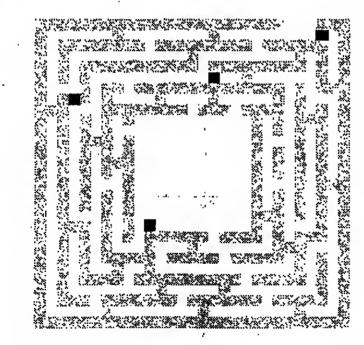
"Almost every bond we buy, we are buying even if we thought a recession would happen tomorrow," he says. "We wouldn't panic and sell it." One example of the junk securities re-

garded favorably by fund managers is the recent issue by Kroger, the supermarket chain that decided to recapitalize after fending off a takeover bid.

"Kroger looks very strong," says Kevin Matthews, manager of the Van Kampen Merritt High Yield Fund.

"We like the management of Kroger, and we think they're going to be able to do the asset sales they need to do to improve the company and to get the cash flow they

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*Source: Lipper Overseas Fund Table, 30.9.88. reinvested - source: Guinness Flight Fund Managers (Guernsey) Limited.

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STRATEGY:

New Highs: Signal

By Bruce Hager

HORTLY after last month's observance of Black Monday's first anniversary, there was a sudden jump in the number of stocks making new highs. The phenomenon puzzled many investors; some thought a powerful market rally was in the making.

In reality, two important forces collided at the anniversary. First, the market was moving up, having recently hit a post-crash peak. At the same time, Oct. 19 marked the beginning of a new chapter in the stock market. No longer would stocks have to face an almost impossible struggle to surpass their e-crash values to make the new highs list.
"Using the 52-week highs, you'd

say, 'Gee, more stocks are moving mp," says Robert Farrell, chief market analyst at Merrill Lynch in New York. "But it's more a function of the drop off of the prices that existed before the crash now that the 52 weeks have gotten past their October date."

As a technical indicator, analysts and investors scan the new the list to find out which indushighs list to find out which indus-trial groups are leading the mar-ket, as well as which individual stocks are attracting interest. Furthermore, the net difference be-tween the number of daily new highs and new lows can tell a market forecaster something about market breadth, or whether the overall trend is up, down, or just wobbling sideways.

"If the market is making new highs, but we don't have any stocks making new highs on the list, then we don't have any strength in the market," explains Gene Jay Seagle, director of tech-nical research for Gruntal & Co. in Stamford, Connecticut.

Why would one buy a stock on the new high list? Some techni-cians say the list reflects those companies with good earnings momentum and relative strength, two factors that could lead them even higher in the coming months. On'a recent day, the list fea-tured a dozen food and beverage

stocks like Borden, General Mills, Pepsi Co. and Ralston Purina. To Eugene Peroni, director of technical research with Janney Montgomery Scott in Philadel-phia, this meant that investors had targeted stocks associated with Kraft Inc. and RJR Nabisco, companies that had become the focus of takeovers, with the hopes that

other food stocks would become

targets as well. Two stocks lost in the shuffle were Reynokis Metals, an aluminum manufacturer, and Melville Corp., a shoe manufacturer and retailer. Shares in both companies initially had been locked in a trading range, but now were being nickly scooped up. Reynolds, a stock that Mr. Per-

October Market Scoreboard

Compiled by Media General Financial Services. Prices in dollars

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+24 +23

26.88 52.25 13.50

23.88 15.00 10.88 11.50 10.38

27.25 18.13 11.50

17.88 13.75

870 959 1,090 3,750 1,340 675 1,790 700

+21 +20 +19

tional. Prices in yen

New York-Stock Exchange:

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Gapital Holding Corp. Kraft Inc.

Pillsbury Co.
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Chicago Pacific Corp.
Best Products Inc.

Holly Farms Corp. Conseco inc.

Rymer Co.

Maxxam Inc.

Ransburg Corp. TRC Cos. Inc. O'okiep Copper Co.

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Nippon Yakin Kogyo

Penta Ocean Constr

Kansai Electric Power Shimizu Construction

Mitsui Mining Chubu Electric Power

Osaka Gas

Isuzu Motor

Toho Gaa Keihin Electric

Greenali Whitley

Wolseley

Tootal

London Stock Exchange: Complied by Morgan Stanley Capital

Tokyo Stock Exchange:

Compiled by Morgan Stanley Capital In

oni recommends, first made a new high last June at \$53 a share. It then gradually moved up to \$58 last month, before falling back to \$53. Melville reached a new high last month at about \$74 a share, and Mr. Peroni believes it could continue on to \$90 over the next 12 to 18 months. "I'm not concerned about bow

many stocks are making that list every day," Mr. Peroni says. "Stocks that are emerging towards making new highs are the ideal." To most investors, the idea of buying a stock near or at its high for the year is just plain dumb.

Conventional wisdom would indicate that such a stock is just as likely to fall the next day because those who hold it are going to take profits.

But Robert Nurock, publisher

of the Astnte Investor, a Paoli, Pennsylvania, newsletter, disflat markets as well. agrees. He says investors focus too much on the purchase price of stock when buying. When they see their stock's price fall, then briefly

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Nippon Television Ono Pharmaceutical

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ly at the same level they bought it. When there's a substantial amount of trading in stocks at a particular price, that level be-comes very significant," he ex-plains. In theory, Mr. Nurock contends, as a stock's price rises, the number of sellers decline so that there is more of a chance for vola-

rally; he argues that investors of-

ten end up selling the stock rough-

tility on the noside. Indeed, studies have shown that some stocks selling near their highs are often ripe for further vard moves. This is particularly true at the beginning of bull market cycles, when the new highs list becomes a shopping list for investors seeking stocks with price momentum. But the data can apply to

-38 -23 -23 -20 -19 -18 -18

Price

10.13 11.25 13.88 14.00 10.13 17.50 11.50

11.25

36.13

11.88 10.25 13.50 11.00 10.25

12.63 12.75 11.25 14.13 10.25

854 4.050 3,350 3,630 1,130 1,100

1,880 18,600 4,580

-28 -25 -24 -23 -21

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Marc Reinganum, professor of finance at the University of Iowa, studied the greatest stock market winners from 1970 to 1983 to determine what they had in common. From this he formulated nine screens for picking future stock market winners, including buying shares selling within .15 percent of their highs within the past two years. "It looks like one way to summarize is to buy high, sell higher," he says.

Despite the 25 perce in the Dow Jones Industrial average since Oct. 19, 1987, many technicians have found that the new highs list does not portend a nearterm rally. During a normal bull market, about 25 percent of the New York Stock Exchange shares will be peaking each week. That number has lately been around 150 and falling

Total Return for 12 Months Total return measures both the changes in the prices of securities and the income they provide either in dividends or interest. Geins or losses, were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation. Stocks 15% 10% 5% -5% -10% -15% -20% -25% Total return for 12 months anded Total return for 12 months ended September in local currency

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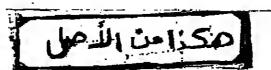
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By Jacques Neher

RIC EDELFELT sees himself as a lowkey, conservative fund manager, content to be serving the long-term needs him. All he seeks, he says, is "to do a little bit better than the market

So far this year, he has done considerably more than that; Mr. Edelfelt's two funds — both sponsored by the big French insurance company, Groupe des Assurances Nationales — have become the best-performing stock funds in France.
France-GAN, a 150 million-franc fund made

up of mostly French stocks, has generated a return of 53.1 percent since the start of the year. Enro-GAN, with a mix of European stocks, is up

48 percent.

The closest runner-up among SICAVs — Societés d'investissement à Capital Variable — climbed only 37 percent in the same period, according to the investment bank Paribas, which keeps a tally on all the French funds. The CAC general index of French stocks, meanwhile, rose 36 percent.

Luck is not all there is to Mr. Edelfelt's success. Timing, a long-term view and a sometimes perverse nature loom larger in explaining the strate-gy of this 42-year-old former mathematician.

Indeed, a good part of the appreciation in both funds this year is due to his nonconformist outlook for the Second Marché, France's secondary marker, last December. That month, when the Bourse was still in shock, Mr. Edelfelt made his move on several Second Marché stocks that others were auxious to unload.

"I like to go where nobody else goes," he explains. "People were flying out of the Second Marché as they were facing big end-of-the-year losses. They were all concerned about the lack of liquidity they had seen in some of these stocks earlier, but I couldn't care less about liquidity. I'm a long-term investor and these stocks could

be bought cheap. It was a good opportunity."

At the time of 1987's crash, only 5 percent of France-GAN's assets were in the Second Marché. By the end of 1987, Mr. Edelfelt had boosted the exposure to 25 percent. While the Second Marché has recovered at about the same rate as the main Bourse this year, one stock Mr. Edelfelt selected last December, Sedri, has provided a good measure of the gains recorded by his funds.

Sedri, a microelectronics company that makes point-of-sale teletext terminals and a three-dimensional camera system, first issued stock on the Second Marché last November, with shares offered at 115 francs. The stock hovered around that level until the end of January, then began to move up. By October, Sedri, adjusted for a split, was valued at over 1,300 francs a share, almost a

Mr. Edelfelt will not say how much Sedri stock he bought, though he acknowledges that he pur-chased shares of the company on behalf of two other GAN funds that focus on Japan and the United States; as well as for some pension funds



Eric Edelfelt, of Groupe des Assurances Nationales.

that are managed by GAN and the insurance company's own account.

But even without the investment in Sedri, Mr.

Edelfelt argues, the France and Europe funds would still be in the top 10.

This year, Mr. Edelfelt has pulled back a bit from the Second Marché for France-GAN and is considering a new strategy, one that anticipates an economic slowdown in the United States.

"I'm not betting on industrial and manufacturing stocks, but rather on stocks that are more independent from economic growth," he says. Examples, according to Mr. Edelfelt, are FNAC, a records and books, cameras and electrical goods retailer, and Gel 2000, a specialty retail chain that deals only in frozen foods.

TILL, HE has not totally abandoned certain cyclical industrial stocks that he says are still undervalued in France. These include Saint Gobain, the maker. of glass and building materials, and Compagnie Generale d'Electricité, the electrical engineering

In evaluating blue-chip stocks, Mr. Edelfelt uses the usual fundamental yardsticks. However, in looking at performance, be prefers to take a 7-year or 8-year historical view of a company. Long-term performance is also important for picking smaller stocks, he says, except that the view is to the future instead of the past. "Im

looking for 30 percent annual growth over a 5year period," be says.
For the 97.5-million-franc Euro-GAN fund,

Mr. Edelfelt is redeploying assets. After focusing this year on France, Spain, Britain and the Netherlands, he is turning his attention to markets that have not experienced as high growth rates, such as West Germany, Switzerland and Italy. "I had 12 percent (of the assets) in Spain, but I reduced that to 4 percent in Angust, and now it's down to between 1 and 3 percent, as I'm buying more in Italy," he said. "It's a relative thing."

For the long-term, Mr. Edelfelt says he will be happy to attain a "good to average" performance for his funds. "I don't imagine I can match this record again, but I don't care," he says. "This year was abnormal."

chips," says Mr. Metz.
The takeover frenzy has also

hurt. The traditional lure of small

company shares has been the big

profit associated with their high-growth potential. "Investors

searching for fat payoffs figure they can get them with less risk hy

buying the big companies — the Krafts and RJR-Nabiscos — that

are the subject of takeover specu-

lation," says John Hoffmann, a

small stock analyst at Smith Bar-

investors are fearful that tax rates

will rise in 1989 and are holding

off selling poorly performing

stocks in hopes of more attractive

tax writeoffs. This, he says, "may

Moreover, Mr. Hoffmann says

ney in New York.

Scandal Undercuts Japan's OTC

By David Russell

FEW YEARS ago, Recruit Cosmos was counted among the most promising issues oo Japan's rough and tumble over-the-counter market. But in recent months, its name has become synonymous with scandal after revelations that shares were sold to aides of influential politicians at bargain prices before the property company went public in

One of the side effects of the scandal has been a joit to the OTC market's confidence. It hit just when a series of efforts hy the Ministry of Finance seemed to be invigoratiog the OTC, where smaller companies first trade before graduating to the main exchanges' second and first sections.

Earlier this year, medium-sized

companies in particular seemed to be responding at last to the streamlining of OTC registration.

About 30 companies have joined the OTC since the first of the year, and the market appeared to be headed for a record-setting 50 oew

The latest Finance Ministry regulations had made it "somewhat easier to register," ootes Robert Jamesoo of Sanyo Securities, "and a lot of smaller businesses - especially high-tech and software firms - are interested. We're seeing a number of spin-offs from bigger companies appeariog on the

But negative publicity sur-rounding Recruit and other insider trading cases has made Japaoese iostitutions shy about investing in OTC shares. Trading volume has often fallen below a million shares a day after peaking at 1.2 million in February. As many as nine of the OTC's 175 companies are in danger of being delisted because turnover in their stock may fall below the required 24,000 shares annually.

The scandal also prodded the regulators back into action. The Ministry of Finance is considering granting tougher regulatory powers to the Japanese Securities Dealers Association, which over-

Authorities may also tighten rules governing the transfer of ownership of shares of companies heading for a listing. Shares sold within a certain period of years of the OTC listing may incur an extra tax, and the period before listing in which equity may not be trans-ferred at all may be doubled to

But not all the OTC's problems can be laid to the Recruit affair.

Some students of the January

effect, one of the most intriguing

market anomalies, argue that in-

vestors tend to sell their worst-hit

stocks in December to record capi-

tal losses and reap tax benefits.

Then, as investors re-enter the market in January, small capital-

ization stocks tend to advance at a

Mr. Metz is more hopeful that

some kind of January effect will

cudure, but he has scaled back his

expectations. Small stocks may

advance by about 5 percent in Jan-

uary, he says. After that, Mr. Metz

says investors should be prepared

"for a very dead secondary mar-

more recession resistant blue scotch the January effect altogeth-

The publicity adds to the problems of smaller stocks.

Smaller companies in general, in-cluding those on the second section, have underperformed the larger companies as Japanese economic growth has slowed a bit from the frenzied 8 to 9 percent annual pace of the early part of the

Dealers also blame the lack of electronic transaction system for some of the sluggishness. The Securities Dealers Association has tried to improve the situation by increasing the oumber of dealers and boosting investor confidence through tighter reporting proce-

But information on the companies is always in short supply, discouraging all but the most dedicated small-company players. "Most brokers aren't interested in the OTC," noted Ed Merner, the director of Schroder Investment Management in Tokyo, who has been following the small-company scene for oearly 20 years.

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HARD FACTS ON

There's not enough volume in the OTC market, so nobody wants to spend time researching it," he says. "Very few people in Tokyo know anything about more than a handful of OTC stocks."

The Tokyo market's fascination with "story stocks" is well-estab-lished, and the OTC takes the tendency to an extreme. The big story, of course, is a possible list ing on the second section," said Mr. Jamesoo. Chiyoda Shoe Shops and MOS Food Services are two former OTC issues that went on to become popular second sec-

tion listings.

In a special category are issues that have been booted down from the first and second sections because they failed to meet the listing requirements. These "fallen angels" have attracted much investor interest over the years.

Stories abound of companies such as Sanyo Special Steel, which in 1965 became one of the biggest

ping to the OTC and undergoing restructuring, it relisted on the first section in 1980 and has become an important force in the steel industry.

Sun Wave Industrial is another example of company that underweot hankruptcy restructuring and has attracted a following who believes that the kitchen equipment maker has a bright future. Tokyo brokerages say analysts from some large foreign investment firms have begun to visit the company, which recently developed a ceramic board for integrated circuits. Net profit is forecast to increase 16 percent in the year

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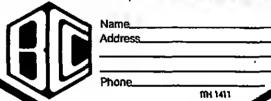
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Cloud Hovers Over U.S. Small Stocks

to lag Big Board issues. At the end

of October, the Nasdaq Industrial index had advanced 11.5 percent

since the start of the year, trailing

the S&P by roughly a percentage

will continue as far as the eye can

see," says Michael Metz, market

strategist at Oppenheimer & Co.,

The bottom line, according to Mr. Metz and others is that reces-

sion fears are strong. Small com-panies are usually the first to be hart by economic hard times since

they tend to operate in narrow

niche markets and do not have the

cash reserves of more established companies. "That is driving inves-

tors away, towards the larger,

in New York

That sort of underperformance

By David Lanchner

New York
FTER AMAZING analysts and investors earlier this year with an impressive advance that outdistanced blue-chip shares, the small stock rally in the United States has ground to a halt. And investment strategists see even worse times ahead.

In fact, the outlook is so thoroughly hleak that some analysts are predicting that the "January effect," the start of the year buying spree that traditionally benefits small company stocks, might not

In the first half of the year the Nasdaq Industrials index advanced 21 percent, showing the best performance after five years of lackluster returns and double sins recorded by the Standard & Poor's 500 index. But the rally, triggered by abnormally low valuations in the secondary market following the October 1987 crash, began to falter last summer as fears of recession grew.

The usual value indicators, such as price/earnings multiples, indi-cate that smaller stocks remain cheap relative to larger issues. Yet, over-the-counter shares continue

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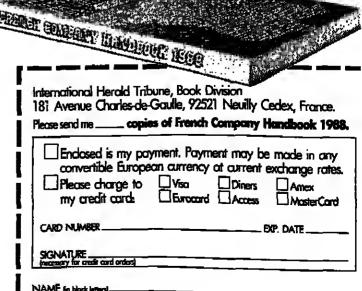
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Herald Eribunc.

FRENCH COMPANY HANDBOOK 1988

Published by International Business Development with the International Herald Tribune



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MONDAY SPORTS

SIDELINES

Top-Earner Alysheba Is Set to Retire

LOUISVILLE, Kentucky (AP) — One week after becoming horse racing's all-time money winner, Alysheba will retire as a stud on a farm near here, his owners have announced.

"Of course, we'll certainly miss him," trainer Jack Van Berg said in a statement Saturday. "But we're doing what we feel is best for the horse." The 1987 Kentucky Derby winner won the \$3 million Breeders' Cap Classic on Nov. 5, passing John Henry's 26,597,947 in earnings with \$6,679,242. The horse's owners, Dorothy and Pamela Scharbaner, said Alysheba would retire at William S. Farish's Lane's End Farm.

Kansas Case Is Closed, NCAA Says

MISSION, Kansas (AP) - The NCAA has said that it will not reopen its investigation of Kansas's basketball program. Last week, the Jayhawks were put on probation for three years for recruiting violations, and were barred from defending their title as national champion. Sports Illustrated magazine said last week that other violations may

have occurred regarding loans to players from Mike Marshall, a former David Berst, head of NCAA enforcement, said Friday, "The recently

completed infractions case involving Kansas will not be reopened on the basis of information currently available concerning reports of alleged improprieties published in the Nov. 14 issue of Sports Illustrated."

French Assail Soccer Player's Status

PARIS (Reuters) — Yugoslav midfielder Safet Susic, who is to play against France in the World Cup even though he became a naturalized Frenchman last month, has become the center of a soccer storm.

The president of the French Football Federation, Jean Fournet-Fayard, criticized the authorities in a radio interview Saturday for giving Susic what he called a naturalization of convenience. Susic, 33, who joined the Paris Saint-Germain team in 1982, obtained dual nationality in October, enabling his club to sign another foreign player. Under league

rules, only two foreigners can play on the same team. Last week, Susic was named to the Yugoslav squad that will play France in Beigrade on Saturday. Under international rules, soccer players can represent only one country during their careers.

Kim and Sanabria Win Title Bouts

SEOUL (Combined Dispatches) — Kim Yong Gang of South Korea has easily won the first challenge to his World Boxing Council flyweight title, battering Emil Matsushima of Japan to a manimous decision. The victory on Saturday boosted Kim's career record to 18-0, while Matsushima fell to 19-5-1,

On Friday in Gravelines, France, Jost Sanabria of Venezuela successfully defended his International Boxing Federation junior featherweight title with a technical knockout of Thierry Jacob of France in the sixth round. Sanabria is now 17-2-2, while Jacob fell to 18-3. (AP, UPI)

For the Record

Danny Manning, the former Kansas baskethall star, has signed a five-year, \$10.5 million contract with the Los Angeles Clippers of the National Baskethall Association. (AP)

Despite suffering jet lag after 20 hours of flying, it was the Soviet National Team that made the University of North Carolina basketball team look tired on Saturday. Arvidas Sabonis scored 11 of his 23 points in the final seven minutes to lift the Soviets to a 104-93 exhibition basketball victory over the Tar Heels.

Mike Tyson, the heavyweight boxing champion, and his wife, the actress Robin Givens, have discussed dissolving their nine-month marriage with a quick Dominican Republic divorce, Tyson's lawyer said.

(AP)

Ouotable

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1 Facts 2 Scent

41 Cuts off 42 Spinets, e.g.

Orel Hershiser of the Los Angeles Dodgers on receiving the National League Cy Young Award: "I worked hard with the talent I was given and everything just worked out perfectly - my career will go downhill from

Prost Beats Senna In Last Turbo Race

Compiled by Our Staff From Dispatches ADELAIDE, Australia - Ending an era of turbocharged Formu-la One racing, Alain Prost of France won the Australian Grand Prix on Sunday as his McLaren-Honda teammate, Ayrton Senna, who already has been crowned world champion, finished second.

It was Prost's second triumph on the Australian street circuit after his 1986 victory in Adelaide, and it boosted his already record career total to 35 victories.

Prost completed the 82-lap, 309.9 kilometer (193-mile) race the last of the 1988 season - in 1 hour, 53 minutes, 14.67 seconds. with Senna, a Brazilian, trailing by more than 36 seconds.

"I really wanted to win," Prost said afterward. "Ayrton was the only problem for me today." Senna already had clinched his first world championship by win-ning the Japanese Grand Prix on Prost also clocked the fastest lap

of the race, 1:21.216, an average

on the 59th lap. Nelson Piquet of Brazil, the de-parting World Champion, brought his Lotus-Honda into third place, with Riccardo Patrese of Italy finishing fourth in his Judd-powered Williams. Only seven cars finished

speed of 167.553 kph (104.11 mph)

It was Patrese's 176th grand prix, which equalled the record for most grand prix races driven.

The one-two result topped off a stunningly successful year for the McLaren team, which won 15 of the year's 16 grand prix races. The team claimed the constructors' championship with a total of 199 points, with its nearest rival, Ferrari, notching 65.

For Prost, the victory Sunday was his seventh of the year, while Senna had eight victories. Only Gerhard Berger of Austria managed to grab a victory from the McLarens this season, when he drove his Ferrari to victory at the Italian Grand Prix at Monza. Both McLarens failed to finish that race. The Australian Grand Prix



Senna wrapped a congratulatory arm around Prost on Sunday.

marked the end of an era in Formula One - it was the last appearance of turbocharged engines in the forrestricted to normally aspirated en-

Senna warmly congratulated Prost with a hing after the race.
It was run in hot, overcast conditions, and the race provided a surprise right at the start when Prost, who was beaten to pole position by Senna, swept past the Brazilian to take the lead

Prost led for the first 13 laps, lost

winning the 100-meter dash at the Seoul Olympics.

rules that all people can go by."

formed him that the Soviets were

interested in the exchange because

letes ask us," Hemlick said,

NORTH AMERICA

Lotus, the only other team be-

mula. Next season, all cars will be

the lead to Berger, in a Ferrari, and then regained it when Berger was forced out after a collision with the Ligier of Rene Amoux of France.

sides McLaren to bave Honda turbo engines this season, ended the year on a high note with Piquet's third-place finish. Piquet's teammate, Satoru Nakajima of Japan, who has just been signed for next year by Lotus, was involved in an incident with three other cars that forced him out of the race. (UPI, AFP, AP)

U.S. and Soviets Near a Steroids Accord

MINNEAPOLIS — The Olympic committees from the United States and the Soviet Union are nearing completion of an anti-doping exchange program in which athletes from both countries would be uniformly tested for steroids year-round and with little notice, according to the president of the U.S. Olympic Committee, Robert

Hemlick told the U.S. Olympic Committee's executive board on Saturday that be and three other USOC delegates, including Edwin Moses, the Olympic hurdler, would travel to the Soviet Union next week to discuss the proposal.

"We hope to actually have the major points of protocol established, including exchange of tech-nical information and year-round, short-notice testing," Hemlick said of the objectives for the trip.

gates in February. Steroids probably would be the only drugs tested for, he said.



last week in Toronto despite various bans on his competing.

He said he hoped to present a ed at certain athletic events, including proposal to the USOC deleing the Olympics, but they are gening the Olympics, but they are gen-erally not tested during the offseason or on short notice. Shortnotice, year-round testing would Currently, U.S. athletes are test- eliminate the possibility of athletes

taking steroids during the off sealate the constitutional rights of son but not taking them before U.S. athletes, said Hemlick, adding events in which there will be testing, Hemlick said.

Moses said the USOC and the He said athletes would know that they could be tested at any time, and they probably would be Olympic committees of other nations hurried into action on a standardized, anti-drug program after Ben Johnson, the Canadian sprintgiven some notice, such as 48 er, tested positive for steroids after

"We're not talking about people in white coats knocking on doors in the middle of the night," Hernlick

"I think they have to standardize the whole testing procedure," Mo-Challenge to Lewis ses said. "We have to come to one Johnson says he would welcome general conclusion — one set of the chance to race his American Hemlick said Marat Gramov, president of the national Olympic rival, Carl Lewis, anywhere, any-time, Reuters reported from To-

committee in the Soviet Union, in-Lewis's agent, Joe Douglas, said last week that he was approached recently by a member of the John-Soviet athletes want a guarantee recently by a member of the John-that American athletes will not use son camp about the possibility of a steroids if the Soviets stop using the lucrative match race. But he said

the chance of a match race was

"I said, That's interesting, because that's exactly what our ath-"Pil race Carl anywhere, anytime," Johnson said in an interview The biggest hurdle appears to be Friday. "I'd like to race him. But finding a system that will not vio- it's going to be hard."

DENNIS THE MENACE

Now a Final Score: Japan 0, Majors 0

By Fred Hiatt Washington Post Service

TOKYO - Ask Fred McGriff if they play serious ball in the Japanese big leagues. McGriff, player of the year for the Toronto Blue Jays this season, flied to center field and struck out three times against four different Japanese pitchers on Sunday in the final game of a seven-game matchup between major league all-stars from North America and Japan league all-stars. McGriff ended the series a humble 0-for-16,

with six strikeouts. And he wasn't alone in his futility Sunday, as the Japanese aces shut down the major lea-guers on five hits. Fortunately for the North Americans, the Japanese couldn't score either, and the game ended in a 0-0 tie, leaving the Americans with a 3-2 edge in the series, with two

Yes, ties. Japanese rules allow games to end even once a time limit is reached, and it had been decided not to play extra innings during this exhibition series. Sunday's game, in any case, had to be finished before

the all-stars' trans-Pacific flight But Sunday's matching shutouts gave Japan something of a moral victory in the weeklong

goodwill series.

The U.S. squad this year maintained the undefeated record of visiting U.S. squads, but no Japanese team has ever come closer to winning. In 1986, the most recent previous tour, the Japanese finished with one win 5-4 win. and six losses.

This time, they had the satisfaction of scoring against "Mr. Zero," Orel Hershiser, the Cy Young award-winner who re-turned home with an unfamiliar earned-run-average of 7.34. Hershiser, before leaving early to help care for an ill infant son at home, was the center of attention for the Japanese press, both because of his string of geles Dodgers and because he dangled the possibility — al-ways helpful for contract negotiations - of coming to Japan

to pitch for a season.

The Japanese had the satisfaction of winning the first game with a "sayonara hit," as a ninth-inning game-winner is known here. Kazuhiko Ishimine of the Hankyu Braves singled home the winning run against San Diego's relief ace, Mark Davis.

And Sunday, the home team had the satisfaction of seeing speedster Vince Coleman of the St. Louis Cardinals picked off at first base, as the impressive right-hander of the Yomiuri Gi-ants, Masumi Kuwata, whirled on the mound and hung Cole-

man out to dry. The U.S. squad, led by the Detroit Tigers manager, Sparky Anderson, agreed that the Japa-nese pitchers were the stars of

the local squad.
"Their pitching has been real strong." Hershiser told reporters early in the week.

Indeed, the Americans managed only seven home runs in the seven games, two of them by outfielder Ellis Burks of the Boston Red Sox, and they struck out 42 times, including nine strikeouts in Sunday

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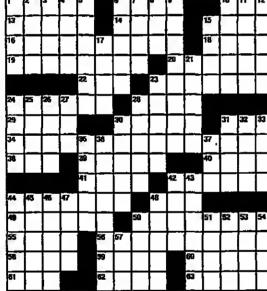
After losing the first game 2-1 and watching the Japanese come back with two runs in the ninth inning to tie the second game 6-6, the major leaguers shook off their jet lag and won the next three games, 16-8, 8-2 and 3-1.

In game six, the Japanese rallied from a 3-0 deficit to score five runs in the sixth and seventh innings and hold on for a

The U.S. squad seemed to have a good time in Japan. But they also seemed, for the most part, to be playing to win. And at times they showed the best of American baseball - Dave Henderson nailing a runner at third with a perfect peg, on the fly, from right field; Paul Molitor laying a bunt down the third-base line and hustling to first for a base hit; Barry Larshutout innings for the Los An-kin, the series MVP, batting nearly .500.

Still, when Ellis Burks struck out swinging to end the U.S. ninth on Sunday, it was the Japanese who had won.

WEATHER



EUROPE

AFRIC/ LATIN AMERICA

O New York Times, edited by Eugene Maleska.

BLONDIE

IN SCHOOL

MR. BUMSTEAD, I'M HAVING TROUBLE WITH MATH

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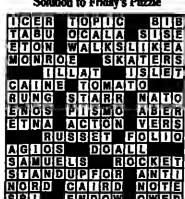
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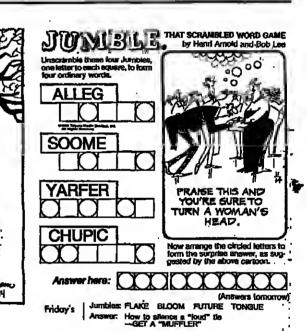






CHEER UP, MR. WILSON! I'M NO SPRING CHICKEN EITHER!

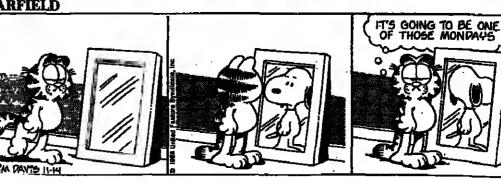
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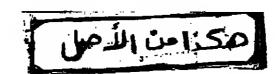












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COLLEGE ROUNDUP

tornoon when Rutgers' leading of-

rams have had so little inparticulation of coca — from what and 1987. The report said the almost all of the increase.

femore player, quarterback Scott Erney, was off his game,
Firmey completed only six of 19 passes and had three intercepted before being replaced by Tom Tarver in the fourth quarter.
Tarver led his team to two touchdowns after West Virginia had gone shead. 35-13. May Spread usands of oil refinery works gone shead, 35-13. Meanwhile, Major Harris, West Virginia's quarterback, tallied 71 ing how.
gher daily," said Joáo Borge
rs' Union. "We expect daily
re forced to close and offsher

refinery and platform works ses of 154 percent to make a ming at 28 percent month.

92 yards for a Rutgers touchdown and the score was fied, 7-7. **UN Post Siege** gunman who was believed The Mountaineers (10-0), hoping for a showdown in the Fiesta Bowl ol killed a civilian Leten with No. I Notre Dame, finish their uthern Lebanon before be-tre of the man ended a 19 he regular season at home against Syracuse next Saturday, Notre Dame

(9-0) was idle on Saturday.

Elsewhere, No. 3 Miami was idle, i and a woman, had overpe. ar Taibe, Lebanon, a spoke Army beat Vanderbilt 24-19, and n said. They were armed a Pennsylvania downed Harvard 52te spokesman, Timor Goke lost and had demanded to 13 to clinch a share of the Ivy

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Peete threw for a career-high 361 yards and three first-half touch-FAST RUTHERFORD, New lersey - Rutgers, a team that has downs as No. 2 Southern Cal ventendured more lows than highs this ed a decade of frustration against season, briefly reached a platean on Arizona State. The Trojans (9-0, 7aturday against West-Virginia. 0) head into next week's showdown Playing an undefeated team ranked No. 4, Rutgers held a 10-7 with No. 6 UCLA for the Pacific-10 Conference title and Rose Bowl

lead for 56 seconds in the second quarter. But then the predictable Florida State 41, Virginia Tech happened and the Mountaineers of West Virginia rolled to a 35-25 vic-14: In Tallahassee, Florida, No. 5 Florida State (9-1) broke open a thry, their 10th of the season withclose game with 20 points in the quarter, as Chip Ferguson The Scarlet Knights, losing for and Peter Willis threw touchdown the sixth time in 10 games, gave the passes and Marion Butts scored on Mountaineers a workout on an af-

a one-yard ron. UCLA 27, Stanford 17: In Pasadena, California, defensive tackle Mike Lodish stole the ball from Stanford quarterback Brian Johnson and ran 17 yards for a touchdown in the third quarter to put the Bruins ahead for good. No. 6
UCLA (9-1, 6-1) set the stage for
next Saturday's showdown game
with Southern Cal. The winner will

play Michigan in the Rose Bowl. Nebraska 7, Colorado 0; In Lincoln, Nebraska, Ken Clark rushed for 165 yards and scored the game's only score in the third quarter to yards rushing and passed for 130 yards and one touchdown. lead No. 7 Nebraska (10-1) past No. 19 Colorado.

Erney's first pass was intercepted by safety Darrell Whitmore, Okiahoma 16, Missouri 7: In Co-lumbia, Missouri, Charles Thomphose 34-yard return carned a louchdown, putting West Virginia son directed three first-half scoring ahead, 7-0, after 64 seconds of play. drives and No. 8 Oklahoma held on for its 30th straight Big Eight vic-tory. Oklahoma (9-1, 6-0) took a 16-0 lead early in the second quar-But Ron Allen returned the kickoff ter as Missouri had four turnovers and had a punt blocked.

Aubum 20, Georgia 10: In Aubum, Alabama, Reggie Slack threw two touchdown passes as No. 9 Anburn knocked No. 17 Georgia out of the Southeastern Conference race and kept its title hopes alive. The Tigers (9-1, 5-1) can gain a share of the SEC championship with No. 12 Louisiana State by Southern Cal 50, Arizona State beating Alabama in Birmingham 0: In Tempe, Arizona, Rodney on Nov. 25.

Mississippi State.

While invitations to the bowl games do not offi-

cially go out until Saturday, several universities

already know where they are heading.

Michigan will play in the Rose Bowl for the fourth time this decade, while West Virginia appears to be heading for the Fiesta Bowl against

Michigan clinched its berth by defeating Illinois on Saturday. The Wolvennes will play the winner of

the Pacific 10 championship game Saturday be-

play the loser of this week's Nebraska-Oklahoma

game; the winner will go to the Orange Bowl

Arkansas will play either UCLA or Florida State

n the Cotton Bowl. Beating Georgia, Auburn can still gain at least a

share of the Southeastern Conference title if it

Clemson goes to the Florida Citrus Bowl. It will

Notre Dame.

-tween UCLA and USC.

against Miami.

in the Cotton Bowl

in the the Sugar Bowl

many of Europe's tennis tourna-

ments have decided to side with the

-Franco Bartoni of Italy, chair-

nis Europe - an association of

said Saturday after a meeting here

nis Professionals Tour in 1990.



Michigan's Leroy Hoard had to carry the ball and Chris Green of Illinois on the way to 137 yards total rushing and two touchdowns.

Houston 34, Wyoming 10: In Houston, quarterbacks for No. 10 Wyoming were sacked 16 times. including six by tackle Glenn Montgomery, as the Cougars brought the nation's No. 1 offense to a halt. Reggie Burnette added three sacks, intercepted a pass and recovered a fumble as the Cougars (7-2) handed the Western Athletic Conference champion Cowboys

(10-1) their first loss. Arkansas 25, Texas A&M 20; In

LSU clinched a share of the SEC title by beating

If the two tie for the SEC title, the Sugar Bowl

Georgia will probably go to the Gator Bowl and

play either Michigan State, Pittsburgh, or Colora-

Elsewhere, Syracuse appeared to be bound for the Hall of Fame Bowl against either LSU or

Iowa appears a good bet to play in the Peach

South Carolina is probably assured of a spot in

the Liberty Bowl against Indiana.

After defeating Vanderbilt, Army appears to be

Florida should get a berth in the All American Bowl against either Michigan State or Illinois.

headed for the Sun Bowl against Alabama.

probably play Wyoming in the Holiday Bowl.

"The present Grand Prix tourna- tournament at the end of the

committee will choose the league's representative for the Sugar Bowl, in New Orleans, Southern Cal

or Florida State will be the opponent.

Fayetteville, Arkansas, Kendall Trainor kicked five field goals and the defense added two scores as the No. 11 Razorbacks (10-0, 7-0) edged past the Aggies. Trainor's fifth field goal, an 18-yarder with In the Bowls, Color Michigan Rose

Starkville, Mississippi, Greg Jackson returned an interception 100 yards as No. 12 Louisiana State clinched a share of the Southeastern Conference title. LSU (7-2, 6-1) is battling with No. 9 Auburn for a

Michigan 38, Illinois 9: In Ann Arbor, Michigan, the No. 13 Wolverines clinched their fourth Rose Bowl berth in the 1980s as Leroy Hoard rusbed for 137 yards and two touchdowns. Michigan (7-2-1, 6-0-1), which concludes the regular season next week at Ohio State, clinched the Big Ten title.

berth in the Sugar Bowl.

Oklahoma State 63, Kansas 24; In Stillwater, Oklahoma, Barry Sanders rushed for 312 yards and five touchdowns to se) NCAA single-season records for TDs and points. Sanders, who carried 37 in the Citrus Bowl.

4:30 left, made it 25-14. Robert Wilson of the Aggies scored from the three with 53 seconds left.

LSU 20, Mississippi St. 3: In has averaged 222 yards a game, and has 31 touchdowns and 188 points. No. 14 Oklahoma State is now 7-2.

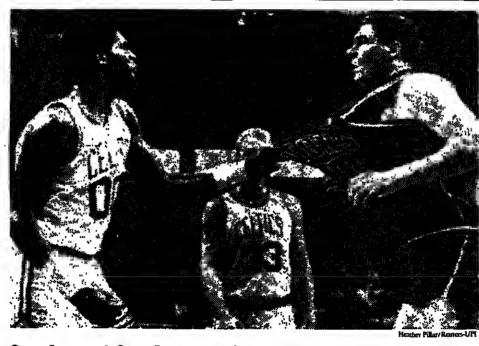
Syracuse 45, Boston College 20: Chesmut Hill, Massachusetts, Todd Philcox bounced back from a shaky start to throw three touchdown passes and lead Syraeuse. bowl-bound for the third time in four years, 10 its seventh straight victory. No. 15 Syracuse (8-1) netted just 61 yards in the first period and fell behind 10-0, but the Orangemen regained their touch in the second quarter.

Clemson 49, Maryland 25: In College Park, Maryland, Terry Alleo and Gary Cooper scored two touchdowns each as No. 16 Clemson (8-2, 5-1) clinched its third consecutive Atlanoc Coast Conference championship and earned a berth

Alabama 17, Southwestern Louisiana 0: In Birmingham, Alabama, Kermit Kendrick intercepted two passes and No. 18 Alabama (7-2) marked its second sbutout of the season.

Washington State 36, Oregon State 27: In Pullman, Washington, Steve Broussard and Rich Swinton each rushed for more than 100 yards as Washington State kept its bowl hopes alive. No. 20 Washington State (7-3, 4-3) will likely face Houston in the Aloha Bowl.

Pittsburgh 14, Penn State 7: In State College, Pennsylvania, freshman Curvin Richards ran for 159 yards and a touchdown and became the sixth runner in Pittsburgh history in gain more than 1,000 vards in a season as the Panthers beat their arcb-rival, It was the fourth straight victory for Pittsburgh (6-3), and kept alive its bopes to play in the Sun Bowl.



Gentlemen! Gentlemen! Please!

The Detroit Pistons and Boston Celtics feuded Friday night in Boston in a brawl-interrupted game, but the Pistons won, 116-107. The two monster centers, Bill Laimbeer of Detroit, 6 feet, 10 inches, right, and Robert Parish of the Celtics, 7 feet, were ejected when they threw wild punches after Parish was hit on the head during rebounding action. "It was just a shoving match." Laimbeer said.

Bears Hold Down Redskins, 34-14

MONDAY SPORTS

WASHINGTON - Touchdown runs by Mike Tomczak and Matt Suhey helped Chicago take a 20-0 halfume lead as the Bears gave coach Mike Ditka a welcome-back gift with a 34-14 National Football League victory Sunday over the Washington Redskins.

The Bears limited the defending Super Bowl champions to 49 yards in the first half and forced starting

NFL ROUNDUP

quarterback Doug Williams out of the game early in the third quarter. Williams completed only six of 19 passes for 69 yards. His replacement, Mark Rypien, threw touch-down passes to Ricky Sanders and Gary Clark, but had four intercep-

While Bears defensive coordinator Vince Tobin handled most of the coaching duties, Ditka was on the sideline for the first ome since a heart attack Nov. 2.

The Bears scored on their first possession, with Tomczak accounting for all 76 yards in the six-play drive. He threw two passes to Dennis Genury for 63 yards and ended the march with a quarterback

Chicago made it 14-0 in the second quarter when Suhey capped an 80-yard drive with a three-yard

Kevin Butler added two field goals later in the quarter to give the Bears a 20-0 cushioo.

Rypien got the Redskins to within 20-7 by throwing for 27 yards in his first series. The highlight of the drive was a 40-yard completion to Art Monk, who made a diving catch behind Chicago cornerback Mike Richardson.

Three plays later, Rypien flipped a four-yard pass in Sanders in the left corner of the end zone. early in the fourth quarter.

Patriots, 14, Jets 13: Io East Rutherford, New Jersey, New England's big-play defense forced three turnovers and John Stephens scored the winning louchdown with 6:48 remaining as New England defeated the New York Jets.

Trailing 3-0, the Patriots turned the game around on the first play of the second half. Larry McGrew picked off Ken O'Brien's pass and, on the next play. Doug Flutie hit Stanley Morgan for a 19-yard

touchdown.
Stepbens' scoring sweep came from the three at the end of a 58yard, 10-play drive.

Bucs 23, Bears 20: In Pontiac, Michigan, Tampa Bay crawled out of the NFC Central basement when Donald Igwebuike kicked a 52-

The teams were tied going into the fourth quarter, and a 38-yard field goal by Eddie Murray put Detroit ahead 13-10. Lars Tate scored oo a five-yard run and Igwebuike kicked a 22-yarder to put the Bucs ahead 20-13 with 2:10 re-

With Rusty Hilger completing four of five passes for 46 yards, the Lions went 70 yards in seven plays, tying the game on a 19-yard touchdown pass from Hilger to Garry James with 45 seconds left.

Chargers 10, Falcons 7: In Atlanta, Rod Bernstine raced 57 yards with a short pass to set up Barry Redden's five-yard touchdown run as San Diego snapped a six-game losing streak by beating Atlanta.

Mark Vlasic at the San Diego 35. broke two tackles near midfield and raced to the Atlanta 14 before Robert Moore made the tackle.

Tim Spencer then ran for five yards and Gary Anderson for four before Redden scored with 4:32 left in the game.

Colts 20, Packers 13: In Green Bay, Wisconsin, Chris Chandler passed for two touchdowns and Indianapolis stopped a last-second drive at the two to beat Green Bay. The Colts' Harvey Armstrong

batted down a Don Majkowski pass on the final play as the Packers drove from the Indianapolis 49yard line after recovering an onside kick with 37 seconds left. Eagles 27, Steelers 26: In Pittsburgh, Luis Zendejas kicked an 18-yard field goal with 1:15 left as

Philadelphia, belped by two Pittsburgh penalties that led to Randall Cuoningham scoring runs, rallied from behind four times to beat the

Cunniogham ran for touch-downs of 12 and 7 yards and set up Zendejas' game-winning field goal with a 41-yard completion to Cris

Chiefs 31, Bengals 28: In Kansas City, Missouri, Albert Lewis began a Kansas City comeback by blocking a punt, then recovered a fumble to set the stage for Nick Lowery's fifth field goal, a 39-yarder with two seconds left that boosted Kansas over Cincinnati.

80th Match: Navratilova But the Bears wrapped things up **Defeats Evert**

The Associated Press CHICAGO - Martina Navrati-

lova, serving effectively and co-mandeering the oct, needed less than an hour to score a 6-2, 6-2 victory Sunday over Chris Evert and claim top bonors at the \$250,000 Virigina Slims of Chicago tennis tournament for the ninth

The final marked the 80th meeting between the friendly rivals and the 43rd victory in the series for the left-handed Navratilova, top-seed-ed here to Evert's No. 2.

Navratilova, who took the \$50,000 first prize, ootched only three aces to go along with a handful of service winners in the match. But varying the speed and spin oo yard field goal with 10 seconds reher serve and working the corners, to the baseline, then mixed crisp volleys with an array of drop shots to gain her ninth singles title and fifth Virgina Slims championship this year.

Evert managed just four points against Navratilova's serve in the opening set and failed to gain a break poiot.

Navratilova, meanwhile, registered the first break of the match in the sixth game of the opening set to go up 4-2, then repeated the feat in the eighth game, running off four straight points for the 6-2 win.
Indeed, the closest Evert came to

mounting a threat was in the first game of the second set. She came in net three times in the game, taking the ad point after Navratilova's defensive lob was long.

SCOREBOARD

BASKETBALL NBA Standings

EASTERN CONFERENCE Atlantic Division its domestic subsidiars. A e canceled Monday and fe Central Division 5 0 1,000 — 4 0 1,000 7 750 1

WESTERN CONFERRNCE oking System Miomi Pacific Division o's credit, a satellite printice appropriate tickets and LA Clippers FRIDAY'S RESULTS Howkins 7-12 7-823, Cheeks 6-12 7-10 19; Carr

10-142-222, Theus 8-164-621, Rebounds: Affan-la 44 (Wilkins 13), Philadelphio 60 (Cminski 14), Assista: Atlanta 29 (Theus 9), Philadel-21 31 22 34—121 **Marmi 19 22 28 29—109
**Marmi 19 22 28 29—109
**Chievous 9-13 4-5 22, Old[usen 5-8 9-9 19;
**Seklory 6-13 6-7 18, Bl.Thompson 10 1-2 13.
**Rabounds: Houston 22 (Old:usen 13), Allami
**Ag (Selkoly 9), Assista: Houston 24 (Floyd, Johnson 71; Migml 25 (Edwards 8). 9-16-5-5 22, Trisucko 6-10 4-6 16. Rebounds: Charlotte: 22 (Rambis: 9), Washington 51 IGron17). Assists: Charlotte 22 (Segues. Hol-Detroi) 25 25 21 35—11 6 loston 21 28 32 26—167 Outsiev 8-15 15-16 21, Dumars 18-14 4-5 24;

Tisdate 13-22 13-17 39, Person 7-17 7-8 22. Reboards: New York 58 (Oakley 13), Indiano 54 | Person 12), Assists: —New York 21 | Jackson 81, Indiano 25 (Skiles 71. San Antonio 20 27 22 24—192 Delfas 29 36 21—115 | Harper 5-13 8-8 25, Perkins 5-11 9-10 18: Cook 9-13 1-1 79, W.Anderson 0-10 0-0 16. Rebounds: San Antonio 41 (Greenwood, G.Anderson, Robertson 101, Dalias 40) Perkins 181, Assists: San Antonio 25 (Dawkins 11), Dalias 39

Tennis Pros Convince Europeans

1990 schedule," be said, "The fu-

ture of the Grand Slam events in

Bartoni said that the 34-member

European interests in future talks

"Our first meeting with ATP will

ZURICH - The directors of ments in Europe will remain on the mooth," be said.

professional tennis players and join Wimbledon and Paris will no

the breakaway Association of Ten-doubt be the subject of further dis-

man of the newly formed Pro Ten- meeting named him in represent

European tournament directors — with the recognized tennis bodies.

that the decision was unanimous. be in New York before the Masters

cussion."

(Aguirre 121. Golden State 35 23 27 21-102 Golden State 38 22 27 21—162
Placentx 44 36 28—141
Chombers 9-16-4-5 22, E.Johnson 7-10 5-5 22;
Mullin 4-1d 6-6 18, Richmond 6-14 5-5 17, Rethouses: Golden State 54 (Someson 7), Procnis 51 (Malerie 9), Assists: Golden Stota 22
(Mullin 7), Phoenix 35 (K.Johnson 13).
Seattle 24 24 31 24—183
L.A. Lakeris 39 26 35 22—114
Scott 9-169-929, Worthy 11-18-577: McDonlet 8-18 4-6 20, Cope 7-14 2-2 16. Rebeands:
Scottle of (Cape 17), Los Arysies 57 (E.Johnson 9), Assists: Seattle 22 (Lucas 6), Los Ange-

son 9). Assists: Seattle 22 (Lucas 6), Los Angeles 33 (Eulohason 161. SATURDAY'S RESULTS There's 9-15 B-8 27, Malone B-12 5-6 21; Tri-pucka 7-14 3-4 18, Holton 7-10 3-3 17, Reboonds; Charlotte M (Tripucka, Rowsom 7), Albania 51 (Malone 101. Assists; Charlotte 20 (Bagues 7).

New Jersey 24 25 24—97 McGae 8-12 0-0 18, Hinson 4-12 5-8 17; Jordan 17-31 8-12 42; Cortwright 5-12 4-8 14. Rebounds; Chicogo 47 (Jordan 7), New Jersey 53 (Carroll 10), Assists: Chicogo 17 (Jordan 8), New Jersay 19 (Copper 4). Cleveland 42 24 31 24—121 Dougherty 3-)3 6-6 22, Nance 9-14 3-3 21;

pougnerry 6-13 6-6 22, nature 7-16 3-3 61.
Frederick 8-15 3-4 19, Tisdate 7-16 3-2 16. Rebounds: Indiana 52 1H,William, Gray 71.
Cteveland 59 1Horper 9), Assists: Indiana 19
(Skiles 7), Cleveland 31 IPrice 12). 16 14 25 16-71 27 28 32 24-111 Aguirre 8-16 6-6 22, Tyler 7-1) 2-3 16; Pinck-

| Beston | 25 25 21 35-116 | Aguirre 3-16 4-52, Typer 3-11 25 16; Place 3-16 21, Dumars 18-14 4-5 26; Donaldson 13-16 3-11 39 [Monorm 6], Beston 47 | K-5-115 McCray 5-10 4-51 4, Rebounds: 50cramenia 35 (Thomason 14), Dallos 73 | Monorm 6], Beston 47 | K-5-116 4, Dallos 24 (Blockman 7], | Bird 10), Assists: Defrol 26 (Thomas 10), | With | 29 27 21 28-185 | Som Antenia | 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24

(Cummings 13), Assists; Boslon 18 (Show 6), Milwoukee 24 (Monorted 7)

An ATP official, Ray Moore,

who was in Zurich for the meeting,

said that be had outlined the asso-

these were well received.

ciation's plans for 1990 and that

"Our schedule for 1990 envisages

19 tournaments at the top level," he

said. "While there is room for com-

promise on other things, we will

Denver 37 38 36 36—141 English 13-21 2-3 28, Lever 14-22 6-3 34; Ellis 11-19 7-8 29, McKey 6-11 3-3 15, Rebounds: Seofile 6/ (Cage 111, Denver 44 (Schoves 121, Assists: Seofile 22 (Lucus 41, Denver 30 (Le-

Phoenix 24 29 34 37 12—127 LA Clippers 32 22 21 38 22—138 5mith 10-19 18-1230, Dolley 12-174-528; John-son 18-32 8-10 45, Chambers 12-33 4-5 28. Re-bounds: Phoenix 47 (Chambers 121, Los Anne-les 69 (Benlomin 19), Assists: Phoenix 37

AUTO RACING

AUSTRALIAN GRAND PRIX (Al Adela)de, Australia) 1. Alain Prost (France) McLarenone h nules 14.476 seconds | average speed 164.225 keh)

2. Ayrton Senna (Brazil) McLaren 36.787 sec

3. Nelson Piquet (Brazil) Latus 47.546
4. Riccardo Patrese (Halv) Williams one minute 20.088 seconds behind 6. Ivan Capelli (liaty) March one 7. Piertuial Martini (thely) Minardi two laps

1. Ayrion Senno, Bruzil, 70 points 2. Alein Prost, France, 67 3. Gerhard Berger, Austria, 41 4. Thierry Boutsen, Beiglum, 37 5. Michele Alborelo, Daly, 24 6. Nelson Piquel, Brozil, 20

TENNIS

HOCKEY National Hockey League Standings

WALES CONFERENCE .

Saturday's Games FRIDAY'S RESULTS 2(10), Manson 121; Ourcan 2(3), Gitten [1], Howerchuk 19), Ashtari (4), Shets on seal; Chicago (an Redsick) 5-12-12-3-32, Wionipeg

arickley 17); Leetch (6), Sondstrom (4), Dah-

ersey 1 1 1 5-3 ion 14), LaFontaine (9), Makeia (4);

3 0 0 5-3

ten 191, Granata 191. Shats an soat: Boston (an VanOlesbrouck) 13-8-7-3—30; New York (on FINAL)988 DRIVER STANDINGS Jonsson JA), LaFontoine (9), Mokela (4); Johnson J7), Driver (1), Sundstrom (4), Shots on goal: N.Y. Islanders (on Sauvet 10-6-51— 22; New Jersey Ion Mrudey) 19-16-9-1—6; Montreal

Lemious 2)10). Glichrist (1); No

Gomez, Ecuador, def. Carl-Uwe Steeb, West Germany, 5-7, 6-2, 6-3. Mecir def. Gomez 6-2 6-2 Jakeo Hlasek (Switzerland) def. Henri Le-

(al Stuttgart, West Germany) Semifinats Milasiav Macir, Czachoślovakia, def. John

conte i France i 6-4 7-5; Janas Svensson (5wedeni del. John Firzgerold (Australia) 7-5 6-4. Fingi 64 69 7.5 WOMEN'S TOURNAMENTS

Chris E veri (21. U.S., del. Manuela Maleevo 14), Bulgaria. 6-4, 2-6, 6-2; Martina Navrall-lovo IU.S.) def. Helena Sukova (Czechoslovo-kia) 6-4 6-3

111. Shots on goal: Montreal fon Weeks) 5-10-SATURDAY'S RESULTS Defruit 4 1 9-3
Philodelphia 2 1 1-4
MacLean (8), Dates (4), Yzerman 2):5);
Kerr 31121. Mellanby 1181. Shots on seat: De-iral (on Hestall) 19-8-5-32: Philodelphia (on Haniani 11-11-9-31. Buffold 9 2 1—3 R.Y. Islanders 9 2 0 0—0 Parker 131, Creighton (51, Housley 14. Shots on goal: Buffala Ion Hrudey1 12-10-6— Calgary 1 1 0—2
Boston 1 0 0—1
Sufer (5), Hrding (11); Allifer (1), Shels on gool: Calgary fon Lemelini 6-9-11—26; Bos-lon (on Vernoni 14-9-14—37. New Jersey 0 4 2—6

Washington 8 2 1—3 Verbeek (St. MacLean 171, Karn 2141, Pa-Sundstrom 216); Courthall 10), Gould 12), 2 11 2 7 45 69

Werbeek (51, MacCountry) (10), Gould (12),
Sundstrom 2(6); Courtnoll (10), Gould (12),
11 4 3 25 79 48 Gustafsson (41, Shofs on seal; New Jersey (an
11 6 0 22 97 73 Malarchuki 3-11-a-20; Washinolon (on
10 5 2 22 73 66 Burke) 16-12-13-41,
7 8 3 17 55 49 Edmonton 3 2 1-6
5 6 3 13 57 62 Terroma 3 (12), Kurri (18), Adams (13),
3 10 45 88SULTS
8 2 2 1-6
9081; Edmonton (on Ester) (4-10-10-34; To-ronito (on Fuhr) 5-8-14-37.
8 1 1 6-5
8 1 1 1 6-5
8 2 1-6
9081; Market (10), Gould (12), Gould (12),

Mismesoto
Tiopett 16), Samuelsson 141, Young 16); MoCuellen (2). Shets ee eool: Hertiford (on
Takko) 13-11-13-37; Minnesoto (on Luit) 9-16.
LSU 20, Mississippi 51, 2
Lotevite 38, Dovidson 13 S1. Laus 1 2-4 Brown (4), Poddubny)11), P.Staslny (8): Hult 19), G.Cavallini 17), Hrkac 16) G.Cavallini (6), Shots on seat: Quebec Ion Riendeaul 8-6-7—23: St. Lauis Ion Mosoni 11-12-8—31.

Krusheinyski (81, Robile)lie (131, Toneti) (4), Duchesne (61, Nicholis (17), Tonetii (5), Nicholls (18); Lemieus (191, Errey)5). Shots on goal: Pittsburgh (on Hegly) 18-)5-8-33; Los Anseles (on Guenette) 11-13-12-36.

FOOTBALL Selected College Results

Boston U. 20. Connecticut 15 Catholic U. 42, St. John's, NY 2
Catio 74, Barrdoin 0
Cornell 42, Catimbia 19
Darrimouth 37, Brown 24
Fordhom 51, C.W. Post 23
Fronklin & Morsnoll 21, Gerlys
Hotstra 44, Kings Point 14
Hoty Cross 38, Bucknett 7
Johns Hook-ins 14, W. Maryland
Maine 44, Tawson 51 7
Massachusetts 17, Villianova 6
Nsw Hampshire 17, Ribode Islai
Normeostorn 33, Lehon 26
Penn 52, Harvard 13
Pirisburgh 18, Psan S1 7
Princeton 24, Yole 7

3 2 1-6 Alabama 17, SW Louisiana 0 191, and 191 Howard U. 35, Margan St. 13 8 2 1—3 Louisville 35, W. Kenlucky 17 1 1 2—4 Memphis St. 26. Tuisa 20 Memphis St. 26. Tuisa 20 S. Mississiaei 26. Louisiana South Carelina 19. Navy 8 Virginio 27, Norm Carolina 24 Wake Forest 28, Georgic Tech 24 William & Mary 28, Calgate 2 Case Western 32 Carne

Iowa 24, Ohio 51, 24, 190 Iowa 51, 16, Karsas St, 7 Keni Sr, 17, Migmi, Ohio 11 Michigan 38, Isinois 9 Michigan 51, 38, Indiano 12 N. Oakato S1, 34, North Dakoto 27 N, Illinois 15, W. Michigan 7 Northwestern 28, Purdue 7 Onla U. 27, Ball 51, 25 Tofedo 26, Ceni. Michigon 12 Washington & Lee 17, Washingto Wisconsin 14, Minnesoto 7 Youngstown 51, 31, S. 118hois 14

SOUTHWEST Arkonsos 25, Texas A&M 20 Arkonsos Tech 9, S. Arkonsos 7 North Tosas 30, SW Texas St. 10 Texas Tech 59, Lamar 28
Texas-El Paso 58, San Diego St. 7 FAR WEST

Arizano 41, Oregon 27 Balse S1, 12, E. Illinois 7 Brigham Yound 47, Air Force 21 Cal-Devis 36, Chico S1, 12 Fresno St. 31, Nev.-Las Vegas 14 Fullerion St. 58, San Jose St. 13 Humboldt St. 14, Hovward 81, 13 Idaha 41. Idaha 51. 7 Lonp Beoch 51. 21, New Mcsico S1. 16 Nevodo-Rena 20. E. Woshington 12 New Mesico 24, Colorado S1. 22 Nerthridge S1. 35, S. Ulah 33 Perliand S1. 21, Meniano 8 8. Dregon 24, E. Oregon 2 Sanla Cigro 16, Cal Poly-SLO 13 Southern Cal 50, Arizona St. 8 UCLA 27, Stanford 17 Utan 42, Wish 51, 21 Washington 28. California 27 Washington 81. 34. Dregon S1. 27

SOCCER

ENGLISH FIRST DIVISION ENGLISN FIRST DIVISION
Chariton 1, Everton 2
Coveniry 1, Luion 0
Derby 2, Manchester United 2
Liver pool 1, Milhwall 1
Videlesbraugh 1, Gueens Park Rangers 8
Newcastle 0, Arsenal 1
Norwich 1, Sheffleld Wednesday 1
Sournameten 2, Asten Ville 1
Sours 3, Wimbledon 2
West Ham 3, Nottingham Forest 3
Polots: Norwich 2: Arsenal 22: Southamp

Polots: Norwich 22; Arsenal 22; Southamp-ion 21; Millwoll 20; Liverpool 19; Coventry, Middlesbrough 18; Derby County, Notting-nom Forest 14; Everton, Manchester United. Asion Villa, Shelfield Wednesday 1 Park Rangers 14: Charlion 12: Lute Hom 9: Taltenham Hotspur, W Newcosile &

Newcosile &
GERMANY FIRST DIVISION
Bayern Numich 2. FC Cologne 0
1. FC Kaisprijoulern & V/B Sturtpart 1
Honover 9 & Bayer Levelingen S
Bayer Leverkusen), Karisruher SC 0 Stuttparter Kickers 2, FC S1 Pauli 2 Bar. Moenchengladbach 2, Eintracht F Borvsalo Dortmund 4, FC Nurem Werder Bremen 2, VIL Bochum 6 Homburger SV 5, 6V Waldhof Mo

Points: Bayern Munich 20; VIB Stuffport Hamburg SV, Borussia Moench 17: Bover Leverkusen, Karlsruhe 14; Werder Bremen, Uerdinsen, Sl. Paull 15; Cologne, VIL Bochum 14; FC Kalserslautern 12; Bor-ussia Oortmund 12; Woldhof Mannhelm, Stullgari Kickers, Nuremberg 8; Hanover Eintracht Franklurt 6 FRENCH FIRST DIVISION

Auxerre 1, Marselile (Connes I. Nontes 2 Lille 3. Matro Rocing 0 Monaco I. Metz 1 Monipellier 2. Soin)-Elje Monipellier 2 Sain)-Ellenne 0 Poris Saini-Germain 3, Lens 2 Sochaux), Nice 0 Toulan & Laval &

bulouse 4, Strosbourg () Joints: Poris Saint-Germain 40; Auserre 39; Marsellie 34; Nanies 32; Manaco, Sochous 31; Lilie, Nice 30; Bordeaux, Montpellier, Toulouse 28, Metz 27 : Connes 26 ; Toulon 23 ; M Rocing, Coen 20; Laval 10; Strasbourg 12; Saint-Ellenne 11; Lens 10

TRANSITION

American League
CALIFORNIA—Signed Mike Ramsey, outfielder, to a contract with Edmonton of the

lielder, for the oursage of giving him his un-CINCINNATI Purchased the contracts of Chris Hammond and Scott Scudder, allichers, Irom Chattanooga of the Southern League: Kelth Kaiser, pilcher, and Edale Taubensee. colcher, from Greensporo of the South Alton-

ele Jelferson, ilrsi basamon, Irom Cedar Rooville of the American Association.

LOS ANGELES—Agreed to forms with

FOOTBALL CHICAGO—Placed Brent Novoselsky, light end, on injured reserve. Activated Cod Bass. light end, from injured reserve. CINCINNATI—Placed Ellis Difformit.

iensive bock. NEW ENGLAND—Ploced Lin Dowson,

light end, on injured reserve.

NEW ORLEANS—Activated Mark Ponts

serve. N.Y.GIANTS—Placed Odessa Turner, wide receiver, on injured reserve. Activated Wayna Haadix, cornerback. PHILADELPHIA—Placed Ron Soft, guard,

Boyle, offensive lineman. SAN FRANCISCO—Activoled Pele Kugler, Misive end, and Tary Nixon, cornerback from injured reserve. Waived Kevin Lity, de-lansive end. Placed Chet Brook, sajety, on

NAVY—Named L1.1JG) Ron Lievendop inlerim men's gymnostics coach.
SOUTHERN METHODIST—Named
Louise Ritter part-time women's assistant
irack and field coach.

k no de ne

R IN EL ROPE TO

Pacific Resid & Bar

Touring Battlegrounds: A Prosperous Business

SANDWICH, England — Maconvoy of five buses holding 200 jor Tonie Holt and his wife, people to the Ypres salient in Bel-Valmai, might be any prosperous girm, where they heard the Last thinking it involves people being south of England couple, with a Post played at the Menen Gate pretty print dress for Valmai (a and attended services at St. Welsh name), a brand new blue George's Memorial Church, built But that is not our way of present-Jagnar for Tonie, and salmon after the war for the use of the

MARY BLUME

mousse at the pub. But if they are grave models of modern entrepreneurial England, their enterprise is and smile smile smile across the unique: They are the creators of world: There are tours to China, Tours, which go everywhere from Troy to Fortress Falklands.

years ago with a tour across the channel to the battlefields and beaches of World Wars I and II. the River Kwai may have to be riolt's travelers (they never call them tourists or customers) can study the zealots at Masada, the United Nations troops at the Yalu River in Korea, and the rather than think too much—feel the emotions of the control of the contro "If we had been professional travel put off, but Major and Mrs. people we would never have been Holt's travelers (they never call of what they would have done had they been the commanders."

People say when you come so often don't you get a little hard-ened hearing the Last Post played so many times?" Valmai says. " I think as you get more and more tuned in, it becomes even more Holts have always been interested

'At the Somme, you know we had 60,000 casualties there in one day. I always have this ridiculous feeling that one day I'll go there and find it was all a bad dream because surely it could not have been that terrible. How did people bear it and bear to go back in battle the next day and the next?

How did they endure it?" This summer the Holts led their new tour, "Oh What a Literary War," to the World War battle fields and cemeteries connected for a dress-up if you want to put with England's soldier poets. This on a dress," Major Tonie says.

"It takes a lot of courage for on the main street of Sandwich in autumn, thanks to Major and Mrs. Holt's Battlefields Tours, 14 World War veterans, the oldest fields they had not seen since the

for response.
While in the USA dict
1-800-874-4000 Est. 344

TSTA The right choice Cut out & seve for easy rei many ex-servicemen who had been hired to disinter their fallen comrades and bury them in proper

The Holts pack up their kit bags Major and Mrs. Holt's Battlefield Gibraltar, North Africa, Waterloo, Singapore, and to the site of the Italian World War I disaster at Major and Mrs. Holt began 12 Caporetto, made famous in Hemingway's "Farewell to Arms."

A planned trip to Burma and cient demand, and they think there will be, the Holts will organize a trip to Vietnam.

If he had stayed in the army, in which he served as an engineer, Major Tonie says he would just be retiring as a general. "It would have been dreadful," he says. Both in writing and in amateur theatricals and they bring to their tours minute-by-minute scripting and visuals in which every effect is planned. The planning is essential, so is the fact that the tours are run by couples (there are now four exofficers and wives helping the Holts out).

time, Valmai says, then when they see there are women along they bring their wives next time. "The hotel is nice and there is a chance

some people to come with us beand dark," he said.

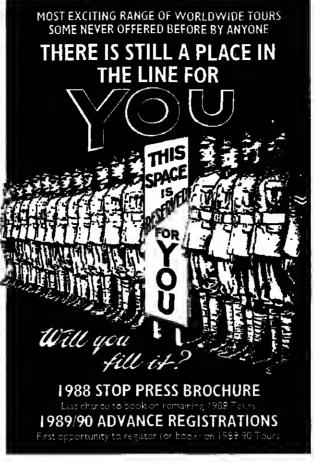
of Nov. 11, 1918, the Holts led a young men were at the sharp convov of five buses holding 200 end," Valmai said, "Some people can read military history without ing war, you can sit at home and do that. We want you to go home knowing what Tommy Atkins felt

like sitting in a muddy trench." Poems are read, songs sung, pictures flashed on the bus's video, and dried food packets and trench periscopes passed around. In the evenings there is talk, and, with luck, a spot of argument over the meat and two veg (the Holts have found it best to stick to En-

glish-style dinners).
"We really do provoke people to react, we may swing the pendu-lum one day and swing it back the next day in order to get people to take part," Major Tonie said.
"We wouldn't quite be doing like
this but to illustrate my point, we
might start off a World War II tour by emphasizing the things that Adolf Hitler did for Germany in the 1930s that were beneficial, like the unemployment situation and discipline on the streets. The following day you redress the balance by emphasizing all those things he did which were bad."

The Holts still take out 20 tours a year themselves, the most ex-hausting of which was a group of American former war correspon-dents at the invasion beaches of Normandy who brought bottles and kept demanding telephones to call in their stories. Sometimes they just go off on a tour on their own. "A year without going to Normandy and the landing beaches, a year without going to the Men often come alone the first Somme, a year without going to ime. Valmai savs, then when they Ypres is unthinkable," Valmai . "The day we go to a battlefield and don't actually feel anything, we'll stop," said Major

Kent are filled with floppy disks cause first of all the subject is and staff members who are 971/2 years old, returned to the military, so it tends in people's trained to smile into the teleminds to be rather rectangular phone and remember people's names. The Holts reckon that Last week, to commemorate the "Some people study military they have a nucleus of four or five 70th anniversary of the armistice history without considering that



annual tour and about 500 who make two or three tours a year.

To encourage the club spirit, important that we do that. Yes of travelers are given service badges that indicate how many Holts Battlefield Tours they have been on. One man is a veteran of 40 trips. Some trips have waiting "Six Days on the Somme which is done twice a year, has no

space until 1990.
The Holts write guidebooks and sell maps and souvenirs and their own regimental tie and traveling kit decorated with their personal logo. They also offer a ser-vice for those who want to locate and visit war graves outside the

United Kingdom.
One area that they have avoided is naval battles. "I think there must be something on the ground," Valmai said, "a museum or a dugont or a trench line or a memorial." "When you come down to the

bottom line the tours are about conflict and ultimate death in many cases and it's right and proper that at some stage we stop and remember that formally in some "Absent way," said Major Tonie, "placing a sum it up."

course we enjoy ourselves, we laugh and we have fun just as they did in wartime. At some time there has to be that remembrance and we do it quite formally."

At last Friday's Armistice commemoration at Ypres, the major gave a toast at the final luncheon.

"People come on the tours for various reasons," he said. "Some have come because they know nothing about it and want to know, some know a bit about it and want to know more. Some had parents or grandparents in the war. Some come because they're peacemongers, some because they're warmongers, some collect badges, some have seen a film. Lots of reasons and it's very difficult to find a toast that encompasses all, so we propose a toast that we think is likely to

is simply, To absent friends. "Absent friends does seem to

bring everybody together. And it

LANGUAGE

Sound Bite, Define Yourself!

By William Safire

WASHINGTON — When, weeks from now, the hurry-up "definitive" history of the 1988 campaign is written, what word or phrase will emerge as the favorite locution of the election? What short, punchy sound bite most helps this campaign to define itself?

It's a tie. Sorry, George Bush's furlough and I am that man are fading, though we may hear more from a thousand points of light; Michael Dukakis's tough choices and competence, not ideology are down the memory drain; among pundits, the polling bounce or past-convention bump faded fast, while tired spin doctors have long ago thrown their spending caps in the air.

The joint winners of clicke of the election year are sound bite and the reflexive use of define.

A sound bite, as every news junkie and couch potato knows, is a snippet of film that catches the rhetorical highlight of a speech, a quotation that is bright, snappy and memorable, and never mind the boring profundity.

Who coined the phrase and when? I am distressed to

report that my fellow etymologists are at a loss for words (good title for a book on uncertain etymology).

The first citation is dated June 22, 1980, in a piece by Sandy Kyle Bain in The Washington Post reporting on the education in television being given candidates by William F. Rhatican: "Remember that any editor watching," said Rhatican to a pin-striped political hopeful, 'needs a concise, 30-second sound bite. Any-thing more than that, you're losing them."

That was not the sound of a phrase being coined; it was the sound of a locution known to insiders and

experts being spoken to outsiders.

For an earlier citation, I reached to London, to the newly computerized Oxford English Dictionary. Surely, that venerable but vital institution, on the verge of publishing an updated amalgamation of its masterpiece and its supplements, would have a trade-press

No luck; the best their editors could offer was Rhatican in 1980. I called Bill Rhatican, now senior vice president for public affairs of the Advertising

"I doubt that I coined it," said Rhatican, obviously a believer in truth-in-advertising. "The phrase was in the air. I used it in a lecture I gave in the mid-70s advising political candidates on the use of television: If you wander all over the place in your statements,

you won't provide pithy sound bites for TV."

That puts us in the mid-"70s; to reach back further, I called Dan Schorr, now senior news analyst for Na-tional Public Radio, who remembered its use in the early 1960s when he was with CBS News. "It came out of the editing room, in the days before videotape. When the producer saw the excerpt he wanted, he'd tell the film editor. Take that bite; out of longer

interviews, the bite would be 30 to 45 seconds."

But why sound bite? If it was film, why not sight bite, which was also a rhyme? Would it not, as some have guessed, have come out of radio?

Sid Davis, a veteran NBC radio newsman who is now with the Voice of America, waves me off that line of folk etymology. "In radio, we called the short live takes actualities. I think sound bites came in during the early 70s, in the transition from film to tape. A piece of film was a clip, but a piece of tape was a bite."

you would take out of an apple or a piece of tape, and

you would take out of an apple or a piece of tape, and not byte, a computer term, of uncertain origin, for "character" (and send that etymon in if you have it, too), which in turn is confused with bit, a smaller unit of information, a shortening of binary digit.

The term may be used affectionately by news editors, but is often used densively by sit-down commentators. In 1984, television's Roger Mudd denounced a campaign he felt was made an of "grand bites and campaign he felt was made up of "sound bites and photo opportunities" (the latter, a Ron Ziegler coinage). In 1988, when Senator Lloyd Bentsen savaged Senator Dan Quayle with his "you're no Jack Kennedy" riposte, ABC's Jeff Greenfield used the term with a neutral connotation: "the biggest sound bite of the

But print journalists, who have been using shorter quotes themselves, like to sneer at television coverage as a collection of inconsequential, sensationalistic, sloganecing sound bites.

Now to the co-winner, the reflexive use of define. A reflexive verb takes both a subject and object with the same referents, as when a winning debater tells his handlers, "I defined myself," and the loser admits in

private, "I clobbered myself." "The new president ably and attractively defined himself," wrote The Washington Post about Jimmy Carter's Inangural Address in 1977. The New York Times, exactly four years later, wrote of Ronald Reagan, "But in defining himself to the world, the 40th president of the United States chose the role of moderate in a secret of moderate in a secr

ate in a script of gradualism "This convention," wrote John Balzar of the Los Angeles Times from Atlanta in July, "has had the purpose of introducing Dukakis to the public." Then the reporter showed his sensitivity to cliche: "Defining himself, as they say in political argot." A refinement came in defining onesell against or relative to someone else: "Michael Dukakis has been allowed to definition to Jesse Jackson," complained New Hampshire's Republican Governor John H. Summu

to the newsman Jim Lehrer in June. The vogue define is not always used reflexively. The Democratic pollster Peter D. Hart used its present participle, defining to modify event, thus describing a major change that produces political results.

And George Bush, in debate, held that "what I've

had to do is to define not just my position, but to What does the word mean? ("OK, lexicographer, define define.") One sense is "to state the meaning of"; another is "to characterize, to describe the essential quality"; a third is "to delimit, specify, fix the bound-

aries, make clear the edges."

In its reflexive political use, to define yourself means "to set forth your goals and values vividly," or in less idealistic terms, "to sharpen the impression of your personality and approach in a way that is memorably

Appealing to most voters."

Nobody ever said such self-portraiture was easy.

While Dukakis failed to define himself until the last stages of his campaign, Bush redefined himself g. from wimp to tiger — in what must have been a wrenching psychological effort.

Alan Watts, the American philosopher and writer

on Zen, was quoted in 1961; "Trying to define yourself is like trying to bite your own teeth."

Avoid orthographic confusion: spell it bite, the sort New York Times Service CLASSIFIED ANNOUNCEMENTS LEGAL SERVICES ANNOUNCEMENTS INTERNATIONAL THE COBURG HOTEL U.S. DIVORCE IN 21 DAYS. No IN 129, BAYSWATER ROAD U.S. DIVORCE RN 21 DAYS. No need to browl, with or without consent of spouse. Dreimer Lagol Associates, p./c. 1E Welseringhercumbrant 54/54A. Na. 1017 TP Assisteriam, Holload. Tel: 3120-840226 or 822056. Fore 823056 GUAM USA DIVORCE Foak Both sign, to trovel, frost Book. Affactory Don Fortisson, See SK. Agooc. Geographone 671–477-7637 or Foak 477-6530. NORWAY REAL ESTATE TO RENT/SHARE HYDE PARK. 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At Houston, in said District, come on for consideration the edequacy of the Plans and Disclosure Statement floorpace under 11 U.S.C. Section 1125 of the Third Amended Disclosure Statement the Disclosure Statement to the Court ofter considering the objections filled, the comments of the Securities and Exchange Consensation, and the evidence presented to the Securities and Exchange Consensation, and the evidence presented to the Securities and Exchange Consensation, and the evidence presented to the Securities and Exchange Consensation, and the evidence presented to the security of the Disclosure Statement proposed by the Debtors contains a CODERED that, pursuant to Bardinary Cologue Information of exchange and the Securities of the Securities

CASE 86-05090-H2-11]

ORDER UNDER 11 U.S.C. SECTION
1125 AND BANGR. R. 3017
APPROVING DISCLOSURE STATEMENT
AND FRING TIMES FOR ORBITING
TO CONTEMATION, TIME FOR
HING ACCEPTANCE AND
REJECTIONS TO PLAN AND SETTING
HEARING DATE COMBINED WITH
NOTICE THEREOF

ORDISED that, pursuant to Bashnarky Rule 3017(4), December 5, 1988, a Shed on the deadline by which the holders of claims and internats against any of the Dathurs may eccept or reject the Flane and it is further. by Siction 17.5 of the benthroppy Loon to enothe hypothetical resourches and in careful hypothetical resourches and interests of all relevant classes to make informed judgement chart the Debtor. These of Recognization (the Finat), and a copromit of the Court that the Debtors have compiled with the action regularments set forth in Burkrystry Rule 2017(s) and this Court's prior cutter restricting and the Court hard the court heart in Burkrystry Rule 2017(s) and this Court's prior cutter restricting and the Court hard the court heart in second date for determining debtertors. Alon S. Gover, Eas, holden or security holders of RGO who say you to accept or reject the Final Polarity Rule 2017(s) and this Court's prior cutter restricting and the Court hardy freeling that in accordance with Section 1225 of the Receivary Code and Bonkruptcy Rule 2017(b), the Decionare Statement contains adequate

ORDERD that those revisions and modifications contained in the attached babbit "B" are hereby desired to areard the form of the Unicessre Selement presently on the Watchest and no tenter anaeckness to conform the Discour

ORDERD that Debtors shall tabulate all acceptances and rejections of the Plans and shall report the results of such tabulation to the Official Coefficial Compittee of BGO or resonably rejected inhervals dering the course of such tabulation and to the Court or the hearing on continuation of the Plansy and if a further

SHENFELD, MALEY & KAY 3700 First City Towner Houston, Texas 77002 Attentions Lenterd M. Portins Counsel for Debtors

DATED: November 2, 1988 SHEINFELD, MALEY & KAY

YOU ARE FURTHER NOTIFED I Debtors Plans provide not and discharge of the Debtors, but wide for a discharge of others, officials, officers, directors, en

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